A RURAL VILLAGE REVISITED
The post-Apartheid changes in Paulshoek, South Africa

Master thesis

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It does not matter how slowly you go so long as you do not stop.

-- Confucius
Dedication And Acknowledgement

I would like to dedicate my thesis to my South African mother Mariana, who has taken care of me during my field work, and who was as a mother to me, if only for one month. She changed my vision of life and inspires me to make the most of it. I love her so much for that.

I am grateful that my supervisor Ton Dietz gave me the opportunity to work on this thesis, which gave me the chance to visit the land where I was born. I am also grateful that Ton persevered with me in the process of putting data into words, and gave me the right advice at the right time.

I owe my deepest gratitude to professor Timm Hoffman, who initiated the research project, and who received me in Cape Town and took care of me during my field trip. This thesis would not have been possible without his help in the field and the knowledge that he shared with me, among other times, during the long drives up and down to Paulshoek.

I would also like to give my love and respect to the many other villagers of Paulshoek I have had the pleasure to meet. Their positive and cheerful moods have amazed me and touched me. Life will never be the same after living with them in Paulshoek for one month. I would like to thank Mariana and Elisabeth for their help during the questionnaires, interviews and focus group discussions. I could not have done any of it without them.

Then I would like to thank my dear friends Jups Kluyskens and David Steedman, to whom I am indebted for their great insight in my work, their help with my English and their support in times of despair. The time and energy they gave me have made this thesis to what it is now.

Last but not least I would like to thank my parents and my boyfriend, for listening to me wining, despairing and even crying over ‘a stupid piece of paper’. Thank you for believing in me, even when I did not. I would also like to thank my friends, who have been waiting so long for me to ‘just finish and get on with life’.
1 Introduction

South Africa is a country that holds a special place in the world politics. It has been 17 years since the apartheid regime officially ended, but the question still rises if South Africa has westernized. Does it have a political system other African countries can only dream of? Or is it still developing, with its employment rates and poverty rates over the moon and one of the highest infection rates of HIV/AIDS in the world? This case study involves the village of Paulshoek: a rural and isolated settlement in the Northern Cape Province of South Africa. In this area, development and modernization have increased since the end of apartheid. With available data from 1995 the main question in this case study will be: ‘What development changes did the village of Paulshoek experience between 1995 and 2010 and how do the local people value these changes in a post-apartheid South Africa?’

1.1 Why this research project?

Paulshoek has seen many researchers for over at least 12 years, almost all of whom were concerned with its unique environmental area: the succulent Karoo. Timm Hoffman, professor at the University of Cape Town and director of the Plant Conservation Unit, has been concerned with the impact of land use on this area for years (Hoffman, 2007). Researchers from the University of Cape Town, but also from other (international) institutes have been working in the area of Paulshoek in recording information for conservation and management policies and searching for effects of long-term climate change. In 1995 there has been a census in the area of Paulshoek, including Leliefontein and various other villages in the region. This census provided a large dataset on household data that was never used for extensive research.

In 2010 professor Ton Dietz of the University of Amsterdam introduced the case study of Paulshoek as a potential research topic for master students. Friend and colleague Timm Hoffman had initiated a follow-up social survey on the 1995 data that could create “a fifteen-year reconstruction study about the post-Apartheid changes in that isolated, far-away community, with meagre livelihood chances” and which could be done by some development students from the University of Amsterdam.

This case study is one of a kind because comparing household data from a developing region within South Africa over a period of 15-years gives the unique chance to see how development initiatives can affect a region. It shows whether or not the intended policies have had a positive effect on the developing region. Complemented with qualitative data on the intermediate period between 1995 and 2010, a rather complete development process can be described. This thesis will do exactly that: it shows how Paulshoek has developed after the end of apartheid, and what economic, social and political aspects have played a role in this development.

1.2 Structure of this thesis

In the next six chapters the main research question will be answered. Chapter 2 begins with introducing the methodology used for this case study, starting with an explanation of the research questions. This is followed by the background theory and concepts concerning the thesis. It finishes with the methods that were used for gathering data. Chapter 3 analyses the political and socio-economic background of
South Africa over the last few decades. It starts with an historical overview and a section on the apartheid period. The third part comprehends post-apartheid South Africa: its politics, economy and welfare state. The chapter concludes with a section on Paulshoek. Chapter 4 introduces the quantitative survey data. It is divided into the composition of income and the composition of households. Chapter 5 further investigates these data, looking at the compositions of households in both 1995 and 2010 and finishing with a section that compares the ‘same household’ of 1995 and 2010. Chapter 6 analyses the qualitative data that was derived from several interviews. The objective change and subjective value that the interviewees add to changes in services, infrastructure, finances, socio-economic conditions and environment are elucidated. Chapter 7 finishes the thesis with the final conclusions.
Picture 1. Impression of Paulshoek from the village’s main access route.

Picture 2. Family picture Mariana Lot.

Picture 3. Direct access route from Mariana’s house to the village.
2 Methodology

2.1 Research questions

The main research question in this case study is: ‘What development changes did the village of Paulshoek experience between 1995 and 2010 and how do the local people value these changes in a post-apartheid South Africa?’ To answer this question two approaches are necessary. The first part of the main question is quantitative and to answer it statistical data have been collected. The second part is qualitative and aims at gaining a deeper insight into the appreciation of development initiatives by interviewing local authorities and organising focus group discussions.

Since the main question is multifaceted several sub-questions are needed to cover its different aspects.

The first sub-question is: ‘How has South Africa developed in terms of politics, economy and welfare since the end of apartheid?’ This question will be discussed in chapter 3, which contains a general review of South Africa’s modern history, followed by a more in-depth focus on politics, the economy and the welfare state since the end of apartheid.

The second sub-question: ‘What development changes did the village of Paulshoek go through between 1995 and 2010?’ will be discussed in Chapter 4. This chapter consists of a general statistical summary of the livelihood changes the village of Paulshoek has gone through. By using the data collected through extensive surveys in 1995 and by repeating the same survey in 2010, a historical overview of 15-years of post-apartheid development has been developed.

The third sub-question asks: ‘How do changes in employment, state income support and remittances relate to social changes in Paulshoek between 1995 and 2010?’ This question will be discussed in Chapter 5. The quantitative information gleaned from the questionnaire provides the basis for a statistical analysis. Chapter 5 starts with an analysis of the data for 1995, followed by 2010. The chapter ends by comparing the ‘same-household’ data from Paulshoek in 1995 with that from 2010.

The fourth question: ‘What general development initiatives were taken to improve local circumstances in Paulshoek since 1995 and how did the people of Paulshoek respond to these initiatives?’ is presented in chapter 6. This chapter uses the data derived from interviews with local authorities and from focus group discussions with people from Paulshoek. To answer the first part of this question, the objective perception of these people on general development initiatives is examined. For the second part of the question people were asked their opinions about these changes, resulting in subjective data on their appreciation of development in Paulshoek.
2.2 Theory: What is development?

A general assumption about development is the division of the world between so-called ‘developed’ nations and ‘developing’ nations, the latter being in a ‘lower’ stage of advancement and evolution than the first. It is also a given that developed countries will assist developing countries by means of development aid in an effort to reduce their ‘underdevelopment’ (Potter, 2004a).

Figure 2.1 shows how the process of development can be associated with either ‘good’ or ‘bad’ outcomes. On the plus side it shows how development is linked to economic growth, progress and modernization, and how it improves the provision of basic needs and governance; on the downside, however, there is an emphasis on the creation of inequality and on the dependency of poor countries on rich countries since economic, social, political and cultural subordination continues (Potter, 2004a).

Figure 2.1 Development thinking: the four major approaches

- Historical-empirical approaches
  - mercantile model
  - cumulative causation
  - trickle-down
  - plantopolis model
  - core-periphery
  - transport evolution

- Classical-traditional approach
  - The Enlightenment
  - dualism
  - top-down
  - hierarchical diffusion
  - neo-classical approaches
  - neo-liberal policies
  - modernity
  - modernisation theory
  - stages of growth

- Radical-political economy-Dependency approaches
  - dependencia or dependency theory
  - New World Group
  - world-systems theory
  - Marxism
  - neo-Marxism
  - articulation of modes of production

- Alternative and bottom-up approach
  - bottom-up development
  - post-modernity
  - neo-populism
  - NGO's popular movement
  - collaborative planning
  - livelihood approach
  - sustainable development
  - Civil Society, social capital

Source: (Potter, 2004b)
Within development thinking\(^1\) there are four major approaches: the classical-traditional approach, the historical-empirical approach, the radical-political economy-dependency approach and the alternative bottom-up approach (see Figure 2.1). The classical-traditional approach is the oldest and focuses mainly on the economic development of a country or region. Dualism – between North and South, East and West, Rich and Poor, Developed and Underdeveloped – is one of its basic principles. Knowledge from Western countries is seen as the right way for underdeveloped countries to become developed. It is very much based on the capitalist principle and was mainstream development thinking during the 1940s to 1970s. The historical-empirical approach is less black-and-white and was popular during the 1960s to 1980s. It looks at the empirical real-world observations of development. It bases its theory on historical examples of development and is anchored in colonial times. In core-periphery thinking trickle-down effects should show how development spills over to its surroundings, letting development happen by itself in a mercantile world. Both of these approaches are positivist, and place western society in the centre of the world. The third approach of radical-dependency has a different view and originates from the 1970s. It is based on Marxist ideas and sees underdevelopment as the result of a skewed integration within the global capitalist system. Used by and depending on more developed powers, the underdeveloped countries are unable to become developed.

The alternative, bottom-up approaches are fairly new, stemming from the 1990s, and look at development as a new way to secure the basic needs in development countries. Grassroots development, where the focus is on the local, small-scale, internal power of the underdeveloped area, and where local culture is an important feature, is the key word. Communities should be self-reliant and local participation is the key to success (Potter, 2004b). Development thinking moved away from notions like modernisation and modernity. In addition, the rejection of modernism led to a renewed focus on pre-modern, vernacular forms of society that should be honoured. Civil society, social capital and NGOs can be seen as a new version of modernism in the post-modern society, with commercialism as its new mercantile feature.

The alternative development approach that will be used in this thesis is livelihood theory. This theory integrates many post-modern aspects of development and the sustainable livelihood framework serves as a useful steppingstone for formulating the case study of development in Paulshoek.

\(^{1}\)Development thinking is a general term for development theories, development strategies and development ideologies.
2.3 Concept: The livelihood approach

The livelihood approach is a research method within development thinking. It was designed to map the definition of poverty (Farrington et al., 1999), since other models did not manage to do this sufficiently. The livelihood approach stems from neo-Marxism, an actor-oriented approach and falls within the scope of the alternative, bottom-up approaches. The approach was first used by NGOs like CARE, Oxfam and by UNDP. At the end of the 1990s the approach became better known and was applied in development research all over the world (Carney, 2003).

2.3.1 Livelihood framework

Ashley and Carney (1999) recognize three aspects within the livelihood approach. First it can be used as a method of analysis to systematically map poverty. Second it is also used to get a better insight into whether development activities are successful in achieving their goals. Thirdly it is a way of making local people and their priorities the centre of analysis.

Figure 2.2 Livelihood Principles

<table>
<thead>
<tr>
<th>People-centred:</th>
<th>focusing on poor people’s priorities, understanding the differences between groups of people and working with them in a way that is appropriate to their current livelihood strategies, social environment and ability to adapt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsive and participatory:</td>
<td>listening and responding to the livelihoods priorities identified by poor people themselves</td>
</tr>
<tr>
<td>Multi-level:</td>
<td>working at different levels to reduce poverty- ensuring that micro level reality informs development of policy and an effective enabling environment, and macro level structures support people to build on their own strengths</td>
</tr>
<tr>
<td>Conducted in partnership:</td>
<td>with the public and private sector</td>
</tr>
<tr>
<td>Sustainable:</td>
<td>balancing economic, institutional, social and environmental sustainability</td>
</tr>
<tr>
<td>Dynamic:</td>
<td>recognising the dynamic nature of livelihood strategies and responding flexibly to people’s changing situations.</td>
</tr>
</tbody>
</table>

Source: (Eldis, 2010)

A livelihood according to Chambers and Conway (1991) consists of the possibilities, the assets (both tangible and intangible, like the demand for and access to assets) and activities necessary to build an existence. A livelihood gets sustainable if it can handle stress and shocks, and if it recovers from them while maintaining the same standard of assets for the next generation. Figure 2.2 shows the basic principles of a sustainable livelihood.

All facets of a sustainable livelihood are included in the ‘sustainable livelihood framework’ in Figure 2.3 (Scoones, 1998). This framework is a basic analytical tool for showing the complexity of the approach and will

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serve as a starting point for this thesis. The framework can also be used to get a notion of the various influences on poverty, and to see when the best moment would be to intervene in the process (Farrington et al., 1999).

The case study on the development of Paulshoek will be placed within the livelihood framework, in order to disentangle the many complex factors that affect people’s livelihood. If these different factors are analysed, the main research question can be answered.

Figure 2.3 Sustainable Livelihood Framework

![Sustainable Livelihood Framework](source: Farrington et al., 1999)

### 2.3.2 Core livelihood concepts for this thesis

The livelihood framework (see Figure 2.3) consists of five core concepts that account for an overall understanding of livelihoods and poverty. By applying these core concepts to the analysis of the data gathered in Paulshoek, it is possible to elucidate the connections among the findings within this rural livelihood. By making these connections it should be easier to identify potential livelihood strategies and livelihood outcomes that may influence Paulshoek’s future development.

**Livelihood Assets**

*Livelihoods assets* are the assets people can draw upon to make their living. The livelihood framework identifies five types of capital asset (see Figure 2.4). The human capital and financial capital assets specific to Paulshoek are represented in chapter 4 and chapter 5. The human capital assets are discussed in the social data from the surveys in 1995 and 2010. The social data are classified under three main categories: *gender and size, age* and *education*. The financial capital assets are found in the economic data from the surveys. These data are also classified in three main categories: *work income, state support* and *remittances*. The social capital assets and the natural capital and physical capital assets in Paulshoek are discussed in chapter 6. The qualitative data in this chapter are classified in five categories: *services, infrastructure, finances, socio-economic conditions* and *environment*.
Chapter 3 of this thesis is based on South African literature that defines the social, economic and political context of Paulshoek’s livelihoods. This chapter shows how certain policies and institutions have affected Paulshoek’s ability to access new assets and create development opportunities.

Vulnerability context
The vulnerability context is the one core concept that is only present in the economic decline – discussed in chapter 6 – that emerges from the data for this thesis. The environmental resilience of the village of Paulshoek and the environmental shocks and trends and seasonality in the region of Namaqualand are much debated by researchers Timm Hoffman and Rick Rohde (2007) and by the Institute for Poverty, Land and Agrarian Studies (PLAAS), but these data are not taken into account in this thesis.

Livelihood Strategies
How people access and use the assets within the social, economic and political context of Paulshoek determines their livelihood strategies. These strategies are discussed in the subjective appreciations based upon the interviews and group discussions in chapter 6.

Figure 2.5 Livelihood Outcomes, some examples

- Increased income
- Reduced vulnerability
- Increased well-being
- Improved food security
- More sustainable use of natural resources

Source: (Eldis, 2010)

Livelihood Outcomes
The interdependence of all these framework concepts and the results of their connections determine the livelihood outcomes for Paulshoek. These outcomes are not statically and influence the livelihood
assets and the way in which villagers perceive and respond to their livelihood (see Figure 2.5). Chapter 7 deals with these outcomes, derived from the data in chapters 3, 4 and 5 and answers the main research question: ‘What development changes did the village of Paulshoek experience between 1995 and 2010 and how do the local people value these changes in a post-apartheid South Africa?’ The answer to this question will ultimately result in some final conclusions and recommendations for Paulshoek’s future.

Box 2.1 Defining two dimensions of the Livelihood Framework

There are several dimensions within the livelihood framework that need a more detailed definition. These concepts underscore some financial dimensions of the livelihood assets concept.

A first dimension is the concept of remittances. Remittances are capital sent by the individual worker from his place of work to the worker’s place of origin. Key questions regarding remittances are ‘Who is sending?’ ‘How often do they send?’ and ‘Why are they sending?’

A second dimension is state income support. In their research report Rohde et al. (2003) describe the state income support in the village of Paulshoek as follows: “Large state support in form of pensions, disability allowance and child support grants provide an underlying safety net for … village households”. One of the main components of the state’s social security is the occupational (social) insurance. This includes retirement benefits for the formally employed labour force, a system of worker compensation against work injuries, a system of unemployment insurance and health insurance for some of the employed (Van der Berg, 2002).
2.4 Methods

The foremost important datasets used for this thesis are the questionnaire surveys from 1995 and 2010. The survey of 1995 consisted of a questionnaire filled out by all the households in the village of Paulshoek. Heads of households were asked to fill out the questionnaires, which later were analysed and processed. The exact same questionnaire was administered in 2010 in order to compare quantitative data between both years. In addition to the statistical dataset, a qualitative dataset was created based on interviews with local authorities in the village of Paulshoek. These people all play an important role within different sectors of Paulshoek society. The aim was to achieve a better understanding of these people’s perceptions of the developments in their village. The perceptions are interpreted as objective change – in the sense that they are physically experienced – and as subjective appreciation – in the sense that the changes have a certain value for their life.

In addition to the interviews two focus group discussions were held. One group consisted of elderly farmers who rely on their livestock and social government grants to maintain a living. The other group consisted of young, highly educated women. Specific topics were discussed to permit even more insight into how these groups within Paulshoek society perceive the post-Apartheid period and governmental involvement in the development of their village.

Figure 2.6 Framework questionnaires 1995 and 2010

| Part 1: Household composition |
| Part 6: Continuation of payments |
| Part 8.1: Work status |
| Part 8.2: Permanent employment |
| Part 8.3: Temporary employment |
| Part 8.6: Other forms of entrepreneurship |
| Part 8.7: Household income other than work income |
| Part 7: Access to land and land use |
| Part 8.5: Agricultural production |

2.4.1 Survey

The questionnaire from 1995 was used in 2010 as well in order to ensure a consistent dataset that could more easily be compared statistically. The questionnaire includes several numbered topics (see Figure 2.6) that each covers a part of the survey questions. The questionnaires were administered to all households in Paulshoek, resulting in 99 household datasets. These 99 questionnaires were compared to the 75 household datasets of 1995.
2.4.2 Interviews and focus groups

The interview questions were based on the schedule used by Flowerdew and Martin (2005) and focussed on the hypotheses and research questions. The interviews only started in the second week of the fieldwork for two reasons: first, it was important to get a basic understanding of local culture and attitudes and second, it was of use to have some questionnaire data already present as a guiding line in the interviews. Figure 2.7 shows the questions asked during the interviews about the interviewees’ opinion on and interpretation of local development.

Figure 2.7 Standard interview questions Interviews Paulshoek 2010

Q.1: Could you please introduce yourself and explain your role within this village?
Q.2: What are, to you, the most important changes since 1994 in Paulshoek concerning services, infrastructure, finances, socio-economic conditions and environment?
Q.3: Which people or which institutions put these changes in motion?
Q.4: Which changes would you describe as positive, and which as negative?
Q.5: Which governmental institution was active in the local development of Paulshoek?
Q.6: What are the implication and consequences of these activities?
Q.7: What is your overall view on the developmental changes in Paulshoek over the last 15 years?
Q.8: Do you have any questions or remarks?

The interviewees were selected on the basis of their function within the village. The first interviewee was Leraume Claasen. She is director of a fairly new development project called ‘Paulshoek Ontwikkelings Projek’. In return for the help of Paulshoek’s people in doing research into a specific local herb called ‘Kougoed’ that is very common in the surrounding area, the san council dedicated part of the profits from selling the herb to local development in Paulshoek (Indigenous People, 2010). Leraume has access to enough money for a few local projects, which could benefit the poorest, most hopeless cases in Paulshoek. She is also one of the most influential women in the village and very active in local politics.

The second interviewee was John Corjeus. John is the local Community Development Worker (CDW), a municipal function created by President Mbeki in 2003. A CDW is responsible for ensuring cooperation in development between people and government; he is also the eyes and ears of government and is expected to create awareness of and involvement in the needs of local people. At the same time he is the voice of the people, making government more accessible for locals who can express their concerns more easily through the CDW (Department of Public Service and Administration, 2003). The third interviewee was Maria Smith. She is the director of Paulshoek’s primary school and library, responsible for the education of the children of Paulshoek and very active in promoting computer lessons for both children and grown-ups.

The fourth interviewee was Gert Engelbrecht, former chairman of the Paulshoek Ontwikkelings Forum, an action group that was founded before government reached out to Paulshoek in developing the region. The Paulshoek Ontwikkelings Forum is responsible for the construction of various amenities, like housing and sanitary facilities. These days Gert is pastor in the local Methodist church, and a respected elder of the community.
The fifth interviewee was Johanna Mariana Lot, who is a local BIOTA para-ecologist and helped with this research as a personal assistant in data collection. After holding several influential local functions, she was educated as a para-ecologist responsible for animal- and plant statistics in the area and for welcoming visiting researchers. She works for the University of Cape Town.

The sixth interviewee was Melvin Cloete, Community Board Member and local leader. He is active in local ANC politics, and is very committed to the creation of more facilities for young adults.

The seventh and last interviewee was Francina Brandt, local Community Health Worker (CHW). The role of a CHW in a community is to make public health care more available by linking people to resources and services, and giving health care information where needed. A CHW also creates awareness about certain diseases (like HIV/AIDS and TBC) and treats minor illnesses. Like the CDW, the CHW acts as an agent of change for development (Cruse, 1997).

Figure 2.8 Focus group discussion themes Paulshoek 2010

<table>
<thead>
<tr>
<th>Theme 1: Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme 2: Services</td>
</tr>
<tr>
<td>Theme 3: Finances</td>
</tr>
<tr>
<td>Theme 4: Socio-economic relations</td>
</tr>
<tr>
<td>Theme 5: Environment</td>
</tr>
<tr>
<td>Theme 6: Future of Paulshoek</td>
</tr>
</tbody>
</table>

The focus group discussions with the elderly farmers and the young female generation of Paulshoek were conducted at the end of the fieldwork because at this stage of the fieldwork there was sufficient knowledge of the local culture, language and attitudes. Furthermore the results from the interviews could serve to guide the group discussions.

The first focus group consisted of elderly farmers. All these farmers provide their households with income by keeping livestock in the Kamiesberg area surrounding Paulshoek. The participants in these discussions didn’t show much initiative, resulting in a group discussion that turned out to be more like an extended interview. The outcome however gave insight into the group’s thoughts and feelings.

The second group discussion was with the young female adults. Although this group discussion turned out better, only limited information was gathered. Both groups were asked to discuss the topics in Figure 2.8 the same topics used to guide the interviews.
3 The Development of the Republic of South Africa

This chapter analyses the political and socio-economic background of South Africa over the last few decades. Special attention is paid to governance changes since the end of apartheid. The first sub question – How did South Africa develop in terms of politics, economy and welfare since the end of apartheid? – will be answered. This question is linked to the transforming structures and policies from the livelihood framework. How have certain policies and institutions affected Paulshoek’s ability to access new assets and create development opportunities? Chapter 3.1 starts with an historical introduction to the emergence of South Africa. Chapter 3.2 pays attention to the apartheid era, focusing on the start of apartheid, the resistance against it and the changing politics in the 1980s. Chapter 3.3 describes with more detail what changes South Africa went through after the 1994 elections, when South Africa became a democratic republic.

3.1 Historical review

The history of modern South Africa starts with the settlement of the colonists. On their way to East India and other Asian colonies, Portuguese and Dutch trade companies needed a stop halfway, to stock up on fresh supplies of meat, fruit and vegetables and to give their crew shelter during the travel. Some Dutchmen from the VOC settled in the Cape as farmers in 1652, supplying the VOC from their harvest. The arrangement proved highly successful, and soon there were enough suppliers in the new colony to create a real settlement. As an addition to the free burghers as the farmers were now known, the VOC began importing slaves from Madagascar and Indonesia. The Dutch settlements expanded to the North and to the East, which resulted in inevitable clashes with the Khoikhoi tribes. But although the colonists weren’t welcomed heartily by the local Khoikhoi, trade did occur. The language the new settlers spoke to their slaves and to locals (when contact would occur) was called ‘kitchen Dutch’, a simplification of the Dutch language. This later changed to the new local language called ‘Afrikaans’, spoken by the so-called Boers and the Cape coloureds.

The English conquered the Dutch settlers in 1795, and the Cape became British territory. There came a distinction within the White society based on language and culture, resulting in an Afrikaner Boer society and a British society. This gap widened with the abolition of slavery in 1834. Meanwhile the number of British immigrants kept increasing, especially after the discovery of diamonds and gold in the Kimberly area. During that same time there was an upheaval in the power of the Zulu tribes. Shaka Zulu, the leader who united Zulu armies under one reign, set out a large programme of expansion, enslaving those who crossed his way. This period is known as the ‘forced migration’ in Sotho language. It accelerated the formation of the small states Lesotho and Swaziland. After attacking white Voortrekkers and killing them and their wives and children, the Zulu’s clashed again with the revenge-seeking
Voortrekker Boers, resulting in the Battle of Blood River, where only three white Boers died but thousands of Zulu man found their death.\(^2\)

The resentment the Boers had felt against their British oppressors turned into rebellion as the ‘War of independence’ broke out in 1880. This resulted in the ‘Zuid-Afrikaansche Republiek’, with Paul Kruger as the republics first president. More diamond and gold was discovered all over South Africa and the enormous wealth it brought was very appealing to the British colonists. After a few years of peace there was a conflict over mining between the English and the Boers again. It came to another clash in 1899: the Second Anglo-Boer war. This war ended with the Treaty of Vereeniging in 1902. The Boers acknowledged British sovereignty, and the Brits in turn committed to reconstructing the mining areas. With the South Africa Act of 1909 the British created the Union of South Africa. This Union consisted of the Cape and Natal colonies, joined by the republics of Orange Free State and Transvaal in 1910. English and Dutch became the official languages. Afrikaans got recognition as a language in 1925. With the Natives Land Act of 1913\(^3\) a system of institutionalised segregation was implemented, which would later be known as one of the cornerstones of apartheid. This meant there would be three classes of racial stratification: white, coloured and black. Each of these stratifications was committed to its own rights and restrictions.

South Africa was granted independence from the United Kingdom in 1931, and in 1948 the National Party came to power. The National Party intensified the segregation, named apartheid, with the white minority controlling the much larger black majority. In 1961 the country left the Commonwealth and became an independent republic. As apartheid became more and more controversial, western nations began boycotting business with South Africa, putting the country in an isolated position. A period of hard suppression and sometimes-violent resistance by anti-apartheid movements (most notably the ANC\(^4\)) followed.

In 1990 the National Party government took the first step towards dismantling the apartheid system when it lifted the ban on other political organisations. Nelson Mandela was set free from prison, and four years later South Africa had their first universal elections, which were won by the ANC with an overwhelming majority. (Ross, 1999, Thompson, 2001)

\(^2\) At the battle of Blood River the white farmers slaughtered the Zulu army in an uneven battle, using canons and elephant guns against spears and longbows. This battle became a symbol for the suppression of black people during the apartheid period (Ross, 1999)

\(^3\) The Natives Land Act of 1913 prevented blacks from owning land outside their reserves. These reserves were the ‘original homes’ of the black tribes of South Africa. The reserves later became known as Bantustans of which the failed objective was to make self-governing, quasi-independent ethnically homogeneous states. In 1996 this law was reversed with the Land Reform Act, which stated all land taken should be returned to the rightful owner (Thompson, 2001, Ross, 1999)

\(^4\) The most notable anti-apartheid movement was the ANC, with Nelson Mandela as its most famous member, but among others there was also the Progressive Party, which merged with several other parties over the years and is now known as the Democratic Alliance (Ross, 1999)
3.2 Apartheid

The most recent modern history goes back to the creation of apartheid as a form of geo-politics in South Africa. Apartheid can be defined as a policy of segregation and political and economic discrimination against non-European groups in the Republic of South Africa. In 1948 the National Party, mainly consisting of white Afrikaners, campaigned on its policy of apartheid. It narrowly won the elections and formed a coalition with another nationalist party: the Afrikaner Party. When apartheid was implemented after these elections, inhabitants of the Union of South Africa were classified into four racial groups: ‘black’, ‘white’, ‘coloured’, and ‘Indian’. The National Party leaders argued that South Africa wasn’t in fact one single nation, but consisted of thirteen nations or racial federations. White people for instance encompassed the English and the Afrikaans language groups, while the black population was divided into ten such groups. (Ross, 1999, Thompson, 2001) Chapter 3.2.1 discusses the political consequences and legislation of the apartheid ideas. Chapter 3.2.2 describes the resistance that rose as a result of the racial division in South Africa. Chapter 3.2.3 explains the transition of apartheid to democracy during the late 1980s and early 1990s.

3.2.1 Grand apartheid and petty apartheid

Apartheid was divided into grand apartheid, which established segregated homelands and areas for different races to live, and petty apartheid, which segregated rights and restrictions defined by race. The first grand apartheid law was the Population Registration Act of 1950. This Act formalised racial classification that required all South Africans to have an identity card specifying their racial group. The second grand apartheid law was the Group Areas Act of 1950. This Act determined where one would live, according to their race. Several Bantu Acts were responsible for the creation of nominally independent homelands, called Bantu lands. This resulted in the Black Homeland Citizenship Act of 1970, which changed the status of black South Africans so that they were no longer citizens of South Africa, but of the autonomous region they occupied. Under this homeland system the South African government tried to divide South Africa into a number of separate states that were supposed to evolve into separate nation-states for different ethnic groups. Only thirteen percent of the land was reserved for black homelands, which is a very small amount compared share of ‘black’ people in the total population. The areas appointed were also the least economically productive ones in the country, making it hard for the homeland population to build a proper living. The government justified its plan by claiming that its policy wasn’t based on discrimination on grounds of race and colour. Instead it claimed to have policy based on differentiation on the ground of nationhood, thereby granting to each the right of self-determination within the borders of their homeland. During the 1960s to 1980s the government implemented a policy of ‘resettlement’, forcing people to their designated group areas. (Ross, 1999, Thompson, 2001)

5 The best known forced removal occurred in Johannesburg, when 60,000 people were moved to the new township Soweto, an abbreviation for South Western Township (Thompson, 2001)
The legislation of *petty apartheid* consisted of several Acts concerning the daily life of South African citizens. The first of these Acts was the *Prohibition of Mixed Marriages Act 55 of 1949*, prohibiting marriage between white people and people of other races. This Act was closely followed by an amendment that forbade ‘unlawful racial intercourse’ between a white person and any other race. Black people were not allowed to run businesses in ‘white areas’ without a permit and transport and civil facilities were segregated. Women didn’t have any legal rights, no access to education and no rights to own property. The whole society was segregated, and apartheid pervaded the South African Culture. Alongside with apartheid the government implemented a programme of social conservatism. Pornography and gambling were banned, and cinemas, shops that sold alcohol and other businesses were forbidden to open on Sundays. Abortion, homosexuality and sex education were restricted, and television was only introduced in 1976, because it was viewed as dangerous. (Ross, 1999, Thompson, 2001)

### 3.2.2 Resistance

There was significant internal resistance against *apartheid* in South Africa. Organizations dedicated to peaceful protests, passive resistance and armed insurrection were created. In 1949 the African National Congress started advocating a radical black-nationalist programme. They wanted to overthrow the white authority through mass campaigns. A series of strikes, boycotts and civil disobedience actions led to extremely violent clashes with the authorities. During a protest in the township of Sharpeville 69 protesters were killed. In a response to this ‘Sharpeville Massacre’ more than 18,000 people were arrested. The political organizations responsible for the protest were banned and went underground and in exile abroad. In 1961 a new military movement within the underground ANC was formed: the Umkhonto we Sizwe (MK), which operated from abroad. This wing would perform acts of sabotage on tactical state structures, and carried out is first sabotage plans on December 16th, 1961, the anniversary of the Battle of Blood River. In 1964 Nelson Mandela and other ANC members were imprisoned for their contribution to the sabotages. In the 1970s the Black Conscious Movement was created, which endorsed black pride and African customs among black people. The leader of this movement, Steve Biko, was taken into custody seven years later, and was murdered in detention. From then on it is mainly unions and workers that have played an important role in the struggle against *apartheid* as they filled the gap left by the ban on political parties.

The churches in South Africa were initially supporters of the apartheid system. In the early years of apartheid it was thought that people would benefit from racial division. The Dutch Reformed Church, which had many white farmers among its followers, was the ‘official religion’ of the National Party. Other Christian churches, like the Roman Catholic Church and the Anglican Church, with more black followers, were divided in their efforts to oppose apartheid. The South African Council of Churches (SACC) however was the most active antiapartheid organisation of the 1980s. Under the leadership of Archbishop Desmond Tutu the SACC withheld cooperation with the government, and organised many peaceful protest against apartheid. (Ross, 1999, Thompson, 2001)

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6 See note 1
Not only the black society was active in the resistance against apartheid; other non-white groups in South Africa also protested against the racial politics. The mixed community marked as *coloured* consists of Bantu and Khoisan people, immigrant Europeans, and European introduced slaves of Malay and Negro stock. The *coloured* community has cultural affinities with the dominant European people of South Africa, but shares the poverty and lack of opportunity of its non-European ancestors (Buchanan and Hurwitz, 1950, Carney, 2003). *Coloured* people played an important role in the struggle against apartheid, as there were many *coloureds* active in the African National Congress and in other anti-apartheid organisations.

Although the majority of whites supported apartheid, about twenty percent did not. White people like Helen Suzman who formed the Progressive Federal Party⁷ led the parliamentary opposition. Resistance outside the parliament was centred in the South African Communist Party and women’s organisation the Black Sash. Women were overall very notable in their involvement in trade union organizations and banned political parties, striding against apartheid. (Ross, 1999, Thompson, 2001, Adam, 1995).

### 3.2.3 Changing politics

Serious political violence was a prominent aspect of South Africa’s history between 1985 and 1989. Black townships became the focus of the struggle between anti-apartheid organisations and the Botha government, with its powerful state security apparatus. Detention without a trial became a common feature of the government’s reaction to the growing civil unrest, as did the assassination of political opponents both within South African borders and abroad. The government bombed ANC bases abroad by air-force attacks. The ANC rebels exploded bombs in restaurants, shopping centres and government buildings in return. Meanwhile Botha’s National Party started to recognize the inevitability to reform their system of *apartheid*, and as a result the government repealed some of the *apartheid* laws. Black labour unions were legitimized and the government recognized the rights of black people to live in urban areas permanently and have property rights for their land. Laws against mixed marriages and against sex between races were rescinded, and the spending for black schools was improved. Meanwhile Mandela’s status grew steadily among those who opposed *apartheid*. In January 1989 Botha had a stroke. De Klerk succeeded Botha as president and stated in his opening speech that he wanted to end the impasse in his country. This resulted in lifting the ban on *anti-apartheids* groups like the ANC and the repealing of discriminatory laws such as the *Land Act*. Media restrictions were also lifted and political prisoners were released. Nelson Mandela was released from the Victor Verster Prison on 11 February 1990. Apartheid was dismantled in a series of negotiations from 1990 to 1993, resulting in elections in 1994, the first in South Africa with universal voting rights. (Adam, 1995, Ross, 1999, Thompson, 2001)

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⁷ See note 3
3.3 Post-Apartheid South Africa

The democratic South Africa that emerged from the elections in April 1994 has undergone an intense process of modernization in its political, economic and social development. Chapter 3.3.1 explores how democratic South Africa has changed politically since the end of apartheid. Chapter 3.3.2 addresses the economic development of the country. South Africa has always been the most economically advanced country of the African continent, but still suffers from severe economic inequality and inadequate welfare levels. In chapter 3.3.3 the difficulties within South Africa’s welfare state will be discussed.

3.3.1 South African politics since the democratic elections of 1994

South Africa’s democratic government is politically more vulnerable now than it has ever been since 1994. Many of the political challenges have grown in the last 15 years. Unemployment rates are 25 percent (SSA, 2011), over 16 percent of the adult population is infected with HIV/AIDS (WHO, 2009) and South Africa is characterized by a high level of regional and social inequality. The following sections discuss the political developments after the first democratic elections of 1994.

Political programmes: the governance of South Africa between 1995 and 2010

The developmental challenges the new South Africa was facing at the start of 1995 were numerous. The inequality left by the apartheid-regime was widespread both in income disparities and within civil society. In an attempt to address the extreme social and regional inequalities the ANC launched the Reconstruction and Development Programme (RDP)\(^8\) in 1994 (Binns and Nel, 2002). This programme claimed that it is the responsibility of municipalities to work together with the local community in order to find sustainable ways of improving the quality of people’s lives. There were four anticipated outcomes for RDP: i) the provision of household infrastructure and services; ii) the creation of liveable towns and rural spaces; iii) the achievement of Local Economic Development (LED); and iv) community empowerment (Michie and Padayachee, 1998). In the years after implementing RDP, however, rumours of favouritism, payment of bribes and unauthorized transfers of municipal money grew stronger (Atkinson, 2007, Michie and Padayachee, 1998). In 2004 large protests broke out all over the country as a response to the failing RDP regulations. The participating municipalities were accused of corrupt governance, of insufficient provision and maintenance of infrastructure and services and of undemocratic decision-making. The national government responded to the 2004 protests by developing a programme called ‘project Consolidate’. This project supports fragile municipalities in an attempt to address the challenges local governments were facing in managing RDP. (Atkinson, 2007)

A second important policy of the new government, which is linked to the RDP, is the Land Reform Act of 1996 (Republic of South Africa, 1996). This Act is based on three principal components of land reform: i)

\(^8\) This program was approved on in September 1994 as the government’s White Paper on Reconstruction and Development, ‘aimed to address the extreme social and spatial inequalities engendered by years of apartheid policies’ (Binns and Nel, 2002:921)
the market-assisted redistribution programme; ii) the restitution of farm lands\(^9\) to people who were dispossessed by racially discriminatory legislation; and iii) a programme to secure land tenure of the people involved (Cousins, 1997). The government’s main focus in 2010 was on redistribution – reinstating people to their former lands – and on securing land tenure, a process of recognizing people’s legal right to own and use land. The restitution of farmlands has not been very successful due to bureaucratic and legislative difficulties. In executing the Land Reform Act the first attempts at redistribution failed, so the government decided to adapt it within a decentralized and area based planning process. In 2000 it was made part of the Local Economic Development Plan within the RDP. Despite the fact that the government is still attempting to manage all its different programmes, the processes remain bureaucratic and weak and are considered unsuccessful by many South Africans. (Binns and Nel, 2002, Cousins, 1997, Sparks, 2003)

A third measure taken by the government to address poverty and inequality was the Growth, Employment and Redistribution (GEAR) strategy of 1996. GEAR was a “macroeconomic strategy [...] to strengthen economic growth until 2000, along with a broadening of employment, and the redistribution of economic opportunities” (Friedman, 2008:66). The framework of GEAR was meant to create a stronger economy that would make attainment of the RDP goals possible. It had a neo-liberal approach to open markets, privatization and the creation of a favourable investment climate. Aim was an economic growth of 6% by 2000 and an employment growth of 400,000 extra jobs per year. The outcomes of the strategy were mixed. Although it brought greater financial discipline and macroeconomic stability, the formal employment rate decreased and wealth remained very unevenly distributed. Foreign direct investment did not materialize as expected and in 2003 the Growth and Development Summit (GDS) addressed the urgent challenge of speeding up job creation and development (Friedman, 2008).

In 2006 the government introduced a new policy mechanism: the Accelerated and Shared Growth Initiative (AsgiSA). This initiative aimed at doubling economic growth from 3 percent in 2006 to 6 percent in 2010. It was meant as a mechanism for consolidating the different government programmes and acts and to reinforce their implementation (Friedman, 2008). The government’s target was to halve unemployment and poverty by 2014. This effort would require spending 370 billion Rand (€37 billion) on public works, mainly infrastructure, to boost jobs and to create a bigger demand that would spread more evenly over the population. In 2010 many of the targets were far from fulfilled.

**Political administration: a changing political climate?**

Although the ANC has always been the largest party since the end of apartheid, changes have occurred within the South African electorate since 1994. Not only did the demographics of the electorate change over time, socio-economic patterns shifted as well. After 15 years of democracy, ‘the focus of politics in South Africa has shifted from the realisation of ‘liberation’ towards urgent concerns such as [...] housing, sales, services, education’ (Cousins, 1997:14). Despite the fact that the government is still attempting to manage all its different programmes, the processes remain bureaucratic and weak and are considered unsuccessful by many South Africans. (Binns and Nel, 2002, Cousins, 1997, Sparks, 2003)

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\(^9\) This form of ‘land restitution’ was one of the promises the ANC made when they came to power in an attempt to make amends with the people who suffered from the Native Land Act of 1913 (see note 2). The restitution of farmlands is supposed to compensate individuals who had been forcefully relocated to homelands to make place for white farmers in the area during the apartheid.
Leontine 

to stabilize the economy. 

for the future can best be achieved by an ANC government. 

end of apartheid the fact that voters significant decline in ANC support. According to Schulz, increasing unemployment, poor service delivery and growing numbers of HIV/AIDS, there is no voters of 1994 and are not predisposed towards any party (Schulz-Herzenberg, 2007). But in spite of increasing unemployment, poor service delivery and growing numbers of HIV/AIDS, there is no significant decline in ANC support. According to Schulz-Herzenberg (2007) this result can be explained by the fact that voters are taking into account the massive relative improvements in their lives since the end of apartheid. She also claims that the majority of South African people think socio-economic plans for the future can best be achieved by an ANC government.

3.3.2 The economy of post-apartheid South Africa

After the transition from apartheid to democracy one of the main focuses for the South African government was to stabilize the economy. Economic growth and a broad-based improvement in living
standards were pursued by embarking on several major initiatives\(^{10}\). The following section discusses the development of South Africa’s economy since the end of apartheid. It starts by discussing the financial reform of the South African economy, followed by a review of the industries most relevant to this study. The last part analyses the racial component in the development of the South African economy.

**The financial reform**

Since 1995 the South African economy has been stabilized with considerable success. Nowak (2005) suggests this success was achieved by some major steps the government took in improving the economic growth rate of South Africa. One of these steps was the strengthening of public finances. The government sought to heighten fiscal discipline by maintaining a competitive tax regime as well as to increase social spending in a sustainable manner and to create more transparency in the budget process.

Figure 3.2 Total inflation rate South Africa between 1995 and 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>8.73</td>
</tr>
<tr>
<td>1996</td>
<td>7.34</td>
</tr>
<tr>
<td>1997</td>
<td>8.62</td>
</tr>
<tr>
<td>1998</td>
<td>6.86</td>
</tr>
<tr>
<td>1999</td>
<td>5.27</td>
</tr>
<tr>
<td>2000</td>
<td>5.33</td>
</tr>
<tr>
<td>2001</td>
<td>5.73</td>
</tr>
<tr>
<td>2002</td>
<td>9.47</td>
</tr>
<tr>
<td>2003</td>
<td>5.84</td>
</tr>
<tr>
<td>2004</td>
<td>-0.68</td>
</tr>
<tr>
<td>2005</td>
<td>2.06</td>
</tr>
<tr>
<td>2006</td>
<td>3.24</td>
</tr>
<tr>
<td>2007</td>
<td>6.17</td>
</tr>
<tr>
<td>2008</td>
<td>10.06</td>
</tr>
<tr>
<td>2009</td>
<td>7.26</td>
</tr>
<tr>
<td>2010</td>
<td>4.15</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa via Inflation.eu, 2011

Another step was to bring inflation under control through a fiscal policy that reduced the budget deficit. This strong fiscal performance has helped lower real interest rates; in addition the South African Reserve Bank adopted a formal inflation-targeting regime, which strengthened its monetary policy strategy. As a result Figure 3.2 shows that the average annual inflation rate in South Africa decreased from 8.7 percent in 1995 to only 5.7 percent in 2001. In 2002 the inflation rate increased to 9.5 percent. In 2003 the inflation rate fell again, resulting in deflation of 0.68 percent in 2004. During the world wide banking crisis of 2008 the inflation rate peaked at 10.06 percent. Then in 2010 the rate fell to approximately 4 percent again. Overall the total inflation rate between 1995 and 2010 reached almost 38 percent.

A third step was the lowering of exchange rates for South Africa. Throughout the 1990’s the approach of the South African Reserve Bank (SARB) to counter strong exchange rate pressures was through heavy market intervention. This policy changed abruptly after 1998 when it ceased intervening. Ever since the absence of intervention has enabled South Africa to better endure currency pressures, resulting in a more stable macroeconomic environment. (Nowak, 2005)

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\(^{10}\) The following governmental initiatives were undertaken: i) the Reconstruction and Development Program, ii) the Land Reform Act, iii) the Growth, Employment and Redistribution Strategy – all mentioned in the previous chapter – and iv) the financial reform and v) the Black Empowerment Program.
Changing markets in South Africa

South Africa managed to stabilize its economy and reduce its susceptibility to adverse shocks. Its financial sector contributed to the stability of the macro-economic environment. Industrial efficiency has risen through greater exposure to competition from overseas. The South African economy has diversified since the end of apartheid and its middle-income market has a stock exchange that is the 18th largest in the world. A modern infrastructure supports a relatively efficient distribution of goods throughout the country and abroad. Although it is down from its peaks, South Africa is still the second largest producer of gold and the world largest producer of minerals like chrome and platinum. (CIA, 2011) Figure 3.3 shows the proportion that South African industries contribute to Gross Domestic Product (GDP). The most striking changes between 1995 and 2010 are the increase in finance, real estate and business services and the decrease in manufacturing. Overall the South African economy has diversified with higher percentages for transport, storage and communication, personal services and finance, real estate and business, while other industries – like agriculture, forestry and fishing, mining and quarrying and wholesale, retail and motor trade and catering and accommodation have suffered. Box 3.1 elaborates the industries most relevant to this thesis and the village of Paulshoek.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Relative size % 1995</th>
<th>Relative size % 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>4.9</td>
<td>2.3</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>9.2</td>
<td>5.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>24.4</td>
<td>15.5</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>4.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Construction</td>
<td>2.9</td>
<td>3.1</td>
</tr>
<tr>
<td>Wholesale, retail and motor trade; catering and accommodation</td>
<td>14.8</td>
<td>11.8</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>7.8</td>
<td>9.1</td>
</tr>
<tr>
<td>Finance, real estate and business services</td>
<td>15.1</td>
<td>20.9</td>
</tr>
<tr>
<td>General government services</td>
<td>14.1</td>
<td>13.6</td>
</tr>
<tr>
<td>Personal services</td>
<td>No data</td>
<td>5.6</td>
</tr>
<tr>
<td>Taxes less subsidies on products</td>
<td>No data</td>
<td>10.6</td>
</tr>
<tr>
<td>Other producers</td>
<td>2.1</td>
<td>No data</td>
</tr>
<tr>
<td>Total GDP</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Statistics South Africa, 2010) and (Central Statistical Service, 1995)
Box 3.1. Agriculture, Manufacturing and Tourism in South Africa

*Agriculture* contributes only 2.3 percent of GDP for the nation. On the other hand it does support 10 percent of formal employment (SSA, 2011). Many people still survive on subsistence agriculture, which is encouraged by the *Land Reform Act of 1996*. This land reform however has been criticised both by farmer groups, who refer to it as racist treatments, as well as by landless workers, who claim that the pace of reform is not fast enough (Sparks, 2003). One of the big issues that agriculture is struggling with is climate change, which results in diminishing surface water. The diminishing surface water is also a result of land mismanagement, which amplifies the importance for the government to promote sustainable development and the use of natural resources (Ziervogel et al., 2010).

*Manufacturing* is bigger, providing 15 percent of GDP. Compared to other middle-income markets it is relatively small however. Two reason for this are the labour costs – which are higher than in other comparable countries – and the high costs for transportation, communication and general living in South Africa. Manufacturing has been replaced by financial competitors in the service sector; mainly consisting of telecom providers. Five cellular companies provide over twenty million providers, and South Africa is considered to have the fourth most advanced mobile telecommunications network in the world (SSA, 2011).

*Tourism*, which falls within the *Wholesale, retail and motor trade; catering and accommodation* industry, is claimed to be one of the biggest financial opportunities of the South African economy, though it accounts for only 3 percent of GDP. Since 1994 the government has been trying to build a post-apartheid heritage, for reasons mainly concerning tourism. The White paper on the *Development and Promotion of Tourism (DEAT 1996)* identified tourism as one of the priorities for national economic development. It was supposed to be a stimulus for the *GEAR* strategy, with some important spear points, which stated that *DEAT* should be driven by the private sector and that it should be community-based (Hughes, 2007). The focus was on national heritage sites that would promote international tourism in South Africa. These natural heritage sites included the Kruger National Park, one of the largest game reserves in South Africa, and different rock painting sites with wall paintings of over 1000 years old. The number of visitors to these heritage places increased significantly since 1994: about 4 million people visited South Africa in 1994; in 2003 this number had increased to 6.7 million. In 2010 however, when South Africa organized the World Cup, it took only 8 months to reach the same number of 6.7 million tourists. The South African government will keep focussing on the high-end tourists, trying to increase the number of international visitors.
No affirmative action in economic affairs?

In 1993 the South African economy was marked by deep inequality. The country’s income and health disparities resulted in tensions. The Employment Equity Act of 1998 tried to make the South African workforce more representatives of the South African people. It was followed by several newer versions, for which the Black Economic Empowerment Act (BEE) of 2003\(^\text{11}\) was a basis. The BEE strategy was meant to create an economy that could meet the wishes of all South Africa’s citizens, people and businesses in a sustainable way. It should not be mistaken for a form of affirmative action, however, even though employment equity forms part of its strategy. The government emphasized that it was impossible to generate economic growth by excluding any groups and as such the BEE strategy should be associated with growth, development and business development, and not merely with the redistribution of existing wealth. According to the Act, Black Economic Empowerment is achieved by keeping a scorecard that companies may use to measure their progress in empowerment. This scorecard was the basis for preparing codes of good practice that allowed businesses with high scores to obtain more lucrative, public contracts. Although the basic principles of the BEE strategy looked promising, it did not work as the government had planned: the Black Economic Empowerment Act proved of benefit only to a few individuals. (Republic of South Africa, 2003)

3.3.3 South Africa’s welfare state since 1994

The distribution of income and wealth in South Africa is amongst the most unequal in the world. More than 10 out of 45 million South Africans live off less than R200 a month and are categorized as ultra-poor (May, 1998). This distribution shows great disparities among the provinces as well; the Western Cape, for example, shows a much higher average level of human development than the Northern Cape. Racial inequality has risen over the last 15 years: in 1995 the income of an average white household was four times that of an average black household; in 2000 this number rose to six times. (Carter and May, 2001) The following sections discuss the South African welfare system since the first democratic elections. The first section starts by exploring employment issues, followed by a section on governmental income support. The third section deals with the problems of HIV/AIDS. In the final sections the South African educational system is briefly addressed.

Employment and unemployment

In the first few years after apartheid inequality and poverty rates increased. The unemployment rates have always been extremely high and although many black people have risen up to middle or upper

\(^{11}\)The idea for black economic empowerment was originally promoted by white businessmen to ward off the nationalization of their businesses. The Broad Based Black Empowerment Act aimed “to situate black economic empowerment within the context of a broader national empowerment strategy … focused on historically disadvantaged people, and particularly black people, women, youth, the disabled and rural communities ”REPUBLIC OF SOUTH AFRICA, G. (2003) No. 52 of 2003: Black Economic Empowerment Act. 25899. Cape Town, Republic of South Africa. This system appeared successful until the financial crisis of 2008 caused shares to plummet and many BEE-companies crashed making new investors wary and BEE unsuccessful.
class levels, unemployment rates among black people worsened between 1993 and 2003 (Carter and May, 2001). In 2004, the official unemployment rate was just as high as it had been in 1994; approximately 26 percent (Arora and Ricci, 2005). In 2010 it decreased to approximately 23 percent (CIA, 2011). Between 1995 and 2003 the number of formal jobs decreased while the number of informal jobs increased significantly. Unemployment is particularly concentrated among the historically disadvantaged black groups within society but is also very high among women and uneducated people of other groups (ibid., 2005).

According to Nowak (2005) a variety of factors account for the high unemployment rate. The most notable is the serious skill deficiencies, which Nowak attributes to inadequate infrastructure and poor education during apartheid. The governments’ strategy to deal with unemployment is multifaceted and includes: skills development, streamlining the workplace conciliation and arbitration procedures and improvement of the matriculation standards. Furthermore, the South African economy is highly unionized – about 35 percent of workers belong to a union. A relaxation of the bargaining agreements between unions and employers would reduce labour costs, enable more small businesses to operate and create new jobs. (Nowak, 2005)

**Income support from the government**

Since the end of apartheid the social grant support system has changed dramatically for disadvantaged groups. Although the Old Age Pension Act dates back to 1928 and the Disability Grant to 1937, both were highly discriminatory and excluded most black South Africans from benefiting (Makino, 2003). This changed with the new government in 1994 and over time parliament tried to give meaning to the new constitution, which stated everyone has the right to have access to social security. The new policy resulted in five major social security grants: the State Old Age Pension (SOAP), the Disability Grant (DG), the Child Support Grant (CSG), The Foster Child Grant (FCG) and the Care Dependency Grant (CDG). The first three (SOAP, DG and CSG) are the most important, especially in rural and disadvantaged regions. All are subject to means tests of income before citizens can apply (Samson, 2005). Figure 3.4 shows the cash benefits provided by each grant in 2009. In the early 2000s there was more money for social grants, mainly child support and pensions and about 10 million people (out of a population of 47 million) benefited. In 2001, over 65 percent of all social grants paid by the Department of Social Development went to the State Old Age Pension, accessible only to pensioners over 60. Although the percentage of Child Support Grants increased over the years, this resulted mainly from the increase of the maximum age from 7 to 9 years old for the child for whom the grant is made. Between 1997 and 2004 CSG beneficiaries increased from 2.5 to 7.5 million. (Barchiesi, 2005)

**Figure 3.4 South Africa’s Social Grants, 2009**

<table>
<thead>
<tr>
<th>Grant</th>
<th>Amount in Rand (Monthly per capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Old Age Pension (SOAP)</td>
<td>R1010</td>
</tr>
<tr>
<td>Disability Grant (DG)</td>
<td>R1010</td>
</tr>
<tr>
<td>Child Support Grant (CSG)</td>
<td>R240</td>
</tr>
<tr>
<td>Foster Child Grant (FCG)</td>
<td>R680</td>
</tr>
<tr>
<td>Care Dependency Grant (CDG)</td>
<td>R1010</td>
</tr>
</tbody>
</table>

Source: (SASSA, 2011)
The functioning of SOAPs and CSGs implies that a South African who is aged between 9 and 60 is deprived of any state social security coverage – with the exception of disabled persons. This policy resulted in an extra strain on SOAPs and CSGs due to grant sharing between families. In the absence of a comprehensive social security system, children and elderly members of a household support their unemployed 9 to 60 year-old relatives (Barchiesi, 2005). Since 2001 institutional changes to the Disability Grant system have enabled local decision-makers to improve levels of social security for the poor and to respond to pressure from citizens to opt for disability grants as a poverty relief system (Nattrass, 2007). In 2002 the government’s Taylor Committee proposed a universal, non-conditional Basic Income Grant (BIG) that would be paid to all citizens from the value-added tax (VAT) and had the advantage of being administratively efficient. It would also reduce the need for the government to provide employment opportunities for the poor. The VAT was supposed to eliminate the criticism that the (undeserving) rich benefited from the same social payments as the poor. The rich were the only ones who would need to pay VAT, which would compensate for their income from social payments (Nattrass, 2007). This possible solution, however, did not address the social roots of the need for such grants in the first place: unemployment, poverty, and HIV/AIDS.

The problems with HIV/AIDS

South Africa has one of the highest rates of HIV infections in the world. According to the World Health Organisation (2009) more than 16 percent of all adults are infected with HIV. In 2009 over 5.6 million South Africans were infected and in that year 310,000 died from the disease (AVERT, 2011). This death rate is one of the causes for a decline in the population-growth rate from 2.5 between 1970 and 1990 to only 1.8 between 2000 and 2008 (Unicef, 2011). Life-expectancy fell from an average of 65 years before the AIDS epidemic (Arndt and Lewis, 2000), to 49 years in 2010. (AVERT, 2011). Not only are life-expectancy and population growth affected by the virus, there is also an increase in the socio-economic burden on the population. According to ING Barings (1999) most AIDS-related deaths are likely to occur in the 25 to 45 age-cohort, based on estimating the median span between infection and death at 8 to 10 years. This means the core-population that is infected is working age. The impact of AIDS is felt by the whole population; including businesses, households and government spending (see

12 ‘The 2001 amendment to the Social Assistance Act empowered provinces to abolish the role of the Pension Medical Officer (PMO), who previously had evaluated and adjudicated disability grant recommendations made by medical officers (MOs), thereby ensuring a degree of oversight and standardization to the system. The amendment gave provinces the choice of continuing with the old system or replacing it with assessment panels (Apes) whose members did not necessarily have to be medical doctors [...] [This] enabled ‘social’ factors to be introduced into what the legislation envisaged should be a purely ‘medical’ decision.” (Nattrass, 2007:181)

13 Value-added tax is a form of consumption tax. It is a tax on the purchase price of a product, material or service.

14 This estimate is based on the medical technologies available in South Africa in 1999. Nowadays, the life-span after contamination is 20 to 50 years, when using the proper medication. (THE ANTIRETROVIRAL THERAPY COHORT COLLABORATION (2008) Life expectancy of individuals on combination antiretroviral therapy in high-income countries: a collaborative analysis of 14 cohort studies. The Lancet, 372, 293-299.)
Figure 3.5. Labour productivity is declining, insurance costs and benefits are rising and government support systems are under even more pressure.

Figure 3.5 Socio-economic impact of HIV/AIDS

For enterprises:
- Insurance and benefits go up, affecting costs, profits and savings
- Disruption and absenteeism reduce overall productivity
- A lower working experience and morbidity affect overall productivity

For government:
- AIDS spending go up, affecting other spending and the deficit
- The production structure shifts, decreasing revenue from value-added taxes and trade taxes
- Household spending shifts impact the economy in general

For households:
- Loss of income and the increase in orphans make households more vulnerable and require transfers
- Caring for HIV/AIDS patients changes the expenditure patterns by reducing savings, forcing assets sales and lowering investment in human capital.

Source: (Arndt and Lewis, 2000)

Many HIV/AIDS patients seek access to the Disability Grant\(^\text{15}\), grants for people who suffer from ‘retroviral disease’ or who are ‘immuno-compromised’ have risen from 27 percent in 2001 to 41 percent of all recipients in 2004 (Nattrass, 2007). Households are harmed most by HIV/AIDS and suffer both income and expenditure losses. The decline in consumption may be linked to the absence of an economically active household-member and thus lower household income. The increase in medical expenses on the other hand extends the financial obligations of the household. The money used to cover the costs for taking care of the patient reduces the amount available for other expenses, like education, housing and remittances, even at times resulting in withdrawing children from school. (Booyens F. le R., 2003)

The South African government had denied the existence of the HIV/AIDS epidemic for a long time and the effectiveness of antiretroviral drugs (ARVs) was publicly challenged publicly. In 2010 however the government introduced a new HIV counselling and testing system (HTC) that is supported by the WHO and which looks promising for the mapping and treatment of AIDS in South Africa.

**South Africa’s educational system**

The South African Schools Act of 1996 stated that with the transition to democracy the right of access to schooling should be a cornerstone of South Africa’s education policy. The Act defines basic education as

\(^{15}\) Given that the disability grant is the only social grant available to adults of working age, it is not surprising that South Africa’s dual crisis of employment and AIDS is resulting in an increase in the number of such grants. There are even reports that people may be attempting to become HIV-positive in order to get the disability grant. The fact that the North West province allocated disability grants to people simply on the basis of being HIV-positive may have contributed to this problem. (Nattrass, 2007)
9 years of compulsory schooling starting at the age of seven in grade 1 and finishing at the age of 15 in grade 9. In addition, ‘Education and Training’ takes place in grades 10 to 12, including more career-oriented education, which provide diplomas and certificates (see Figure 3.6). Higher education follows, with the possibility of attending university and receiving degrees. (Department of Education, 2011) As the government finds education a key goal for meeting the development challenges, it is no wonder that 5.4 percent of GDP goes to education. This is almost the same percentage as, for example, in the Netherlands and the United States (both at 5.5 percent). According to the official South African Statistics the enrolment rates are – at 97 percent – comparable to those of developed countries. This is to a certain extent contradicted by Shindler and Fleisch (2007), who place the enrolment rate at about 90 percent. They also found a considerable variation in access levels to schooling among provinces. In the Eastern and Northern Cape over 90 percent have access to education, much higher than in the North West Province and Mpulungu, at just over 85 percent. Economic and social barriers may be keeping more children away from school in these regions. (Shindler and Fleisch, 2007)
Figure 3.6 Levels of education in South Africa, 2011

<table>
<thead>
<tr>
<th>Band</th>
<th>School Grade</th>
<th>National Qualifications Framework (NQF)</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>8</td>
<td>Doctors Degree</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Masters Degree</td>
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<tr>
<td></td>
<td></td>
<td>7</td>
<td>Honours Degree</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Postgraduate Diploma</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>General First degree</td>
</tr>
<tr>
<td>Higher</td>
<td></td>
<td>6</td>
<td>Professional first degree</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>postgraduate degree</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Bachelors degree</td>
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<tr>
<td></td>
<td></td>
<td>5</td>
<td>First diploma</td>
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<td></td>
<td></td>
<td></td>
<td>Higher certificate</td>
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<td></td>
<td></td>
<td>4</td>
<td>Certificate</td>
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<td></td>
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<td>Diploma</td>
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<td>12</td>
<td>Certificate</td>
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<td>Further</td>
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<td>Certificate</td>
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<td>Certificate</td>
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<td>Grade 9:</td>
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<td>Adult basic</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Education and Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>level 4</td>
</tr>
</tbody>
</table>

Source: (Department of Education, 2011)
3.4 Paulshoek

The village of Paulshoek is situated close to Leliefontein in an area called Namaqualand in the Northern Cape Province of South Africa (see Figure 3.7). A semi-arid environment characterizes the Northern Cape Province. This area of South Africa has been occupied by humans since the Pleistocene Era. Although archaeologists don’t know where these people came from, there is evidence in the form of rock art and stone tools to prove their presence. Namaqualand takes it name from the Nama-speaking herders who entered the southern Africa coastal area around 2000 years ago. These nomadic pastoral people moved where grazing possibilities and water were present, ending up in the Kamiesberg of Leliefontein during the last millennium (Rohde et al., 2003).

![Map of Namaqualand](image)

Figure 3.7 Map of Namaqualand

The Namaqua people have been trading goods with local groups and Europeans since the 17th century. They were a thriving civilization and, although pastoral, they were also skilled in smelting metals. Their economy however was destroyed after a smallpox breakout in the 1720s, leaving them in great poverty. Around 1750, Dutch farmers settled in the region and hiring Namaquas as their employees. Although there were disputes between European farmers and indigenous Namaquas, white farmers in the region had taken Namaqua wives, making miscegenation very common in the area. Many of the ‘bastaard’ children born from these unions took their father’s surnames, that were typical of trekboers: Engelbrecht, Cloete, Beukes, Brandt, Klaassen, Willems are names that are still very common in the Leliefontein area today (Rohde et al., 2003).

During the 1850’s copper mines were established in Namaqualand and were profitable until the 1880s making this a prosperous period for the inhabitants of Leliefontein. But the introduction of brandy and a great outbreak of typhoid amongst Namaquas and bastaards during this period resulted in a lot of...
deaths as well. Some of these Namaqua people and bastaards were reluctant to work in the mines, so new people of various races and places were employed, adding more racial variety to the population. Prosperity declined after the 1880s for several reasons, decades of drought being one of the most important. Labour migration was one of the consequences of these droughts. This tendency towards a migratory lifestyle made mission administration very chaotic. At the turn of the century the decline of mission authority, the drawback of mixed farming, the closure of mines and increasing labour migration altered Leliefontein society. When Leliefontein became a native reserve in 1913 it had been transformed from a mainly peasant and pastoral community into a wage-dependent economy with semi-proletarian households. The only viable economic activity within the reserve was livestock farming and although people were sedentary around the missionary station, transhumance remained a central feature of their lives. During the winter people trekked from the Kamiesberg-mountains to lower coastal grounds, returning with their herds to the green mountains during summer. Afrikaans had become the main spoken language, yet people still subsisted on a pastoral diet of milk, meat, wild foods and sometimes wheat (Rohde et al., 2003).

The origins of the village of Paulshoek began in the early 20th century. Paulshoek developed as an outstation of Leliefontein as the lands around the missionary station became overcrowded. Over time more land got cleared for livestock and agriculture and the sedentary population grew steadily. From the beginning the community consisted of a mix of a peasant economy, with mixed cattle and wheat cultivation, and a wage-dependent economy as labourers built roads in the Namaqua region. Peasant production was put under pressure by the droughts and the economic depression in the 1920s and 1930s as environmental change resulted from the continual expansion of croplands as the population grew. Fields that used to be rough and overgrown turned into overgrazed wasteland and nearly all the came under cultivation between the 1920’s and 1980’s. During the 1930’s fields were not yet fenced and farmers were free to migrate not only to communal land but to commercial land as well. This changed during the apartheid period, when government policies started promoting territorial segregation and formal rules governing rights of residence and access to grazing were instituted. Until 1940 whites were little better off than other inhabitants of the area but the new laws provided them with grazing licences that were later converted to ownership rights. This initiative was the start of white empowerment in Namaqualand. The introduction of the Group Area Act in 1950 confined coloured people to the reserve areas, denying the communal farmers’ access to other non-privatized state land across reserve borders further enhanced this empowerment. The population within the reserves grew

1 The outstanding got its name because it was used to keep rams separated from herds during the breeding season. These rams were herded communally under the guardianship of a man called Paul. People in the area referred to the place where ‘uncle Paul’ was guarding the rams as Paul’s Corner or ‘Paulshoek’ in Afrikaans (Rohde et al., 2003)

2 The Group Areas Act of 1950 forced physical separation between races by creating separate residential areas. Implementation began in 1954 and led to forced removals of people living in “wrong” areas and the wholesale destruction of communities. For example, coloureds living in District Six in Cape Town.
as a result of forced migration from other parts of the country and because retired farmers ‘returned’. Commercial lands were fenced in and the depopulation of some private farms – caused by employment opportunities elsewhere – made it possible for the white population to increase the size of its private properties. Left with less communal land and more inhabitants, local people, now classified as coloureds, were confined to village grazing lands within the reserve, leaving them no opportunity to respond to drought and seasonal grazing conditions through transhumance. All these changes made commercial farming much more viable than communal farming, creating more opportunities for whites than for coloureds (Rohde et al., 2003).

From the 1950s onwards an increasing number of young men left Paulshoek to become mine workers, or to work in the intensive grape and vegetable-growing region of Klawer and Vredendal. On the other hand Paulshoek became a safe haven for family members of these migrant workers who sought the security of established rights to residence and access to education available within the boundaries of the reserves. In the 1970’s and 80’s people didn’t move to Paulshoek for its grazing lands but for the safety it could provide for the unemployed to survive on very little money. The local mixed economy, with peasantry and pastoralism as one of its pillars, evolved into an economy that depended foremost on migrant wage remittances and state support. These cash flows, however, did make it possible throughout the 1980s and into the 1990s for mining pensioners and other households with steady incomes to make small investments in brick houses and livestock, thereby providing wages to local herders as well.

With the democratization of national politics in 1994 many facets of life changed for the people of Paulshoek. The implementation of the Reconstruction and Development Programme (RDP), the Growth, Employment and Redistribution macro-economic strategy (GEAR) and land reform programmes3 gave the inhabitants new socio-economic opportunities. Tourism became one of the focal points for local economic development and sustainable environmental development (Samson, 2006). Thanks to its unique habitat, Namaqualand is visited by many scholars interested in its biotope and the opportunities that accompany it. Organisations like the Succulent Karoo Ecosystem Programme (SKEP), the Institute for Poverty and Agriculture Studies (PLAAS) and the Biodiversity Monitoring Transect Analysis Africa (BIOTA Africa) are very active, both in research and in local development and educational projects. The Plant Conservation Unit of the Botany Department of the University of Cape Town is very active within the village of Paulshoek, sending students and staff members to undertake a broad range of research topics, varying from mapping grazing to surveying local development. This research covers over 11 years of data collection, making Paulshoek and the Kamiesberg a very well documented region since the end of apartheid. These data also makes Paulshoek the ideal place for a case study about the development of a rural, former disadvantaged region since the end of apartheid.

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3See chapter 2.3.1
4 Development changes in Paulshoek between 1995 and 2010

Chapter 4 introduces the development of Paulshoek since the end of apartheid. It will provide answers to the second sub question: ‘What development changes did the people of Paulshoek go through between 1995 and 2010’. By creating a general summary of the statistical livelihood changes in Paulshoek using data sets from 1995 and 2010, a historical overview of 15 years of post-apartheid development has been generated.

In chapter 4.1 the economic data – the financial capital assets from the livelihood framework – are analysed. These data are classified into three main categories: work income, state support and remittances. Chapter 4.2 discusses the social data – the human capital assets from the framework. These social data are classified in three ways: gender and size, age and education. On the basis of these statistics explanations for certain data outcomes were sought and the connections between them analysed.

4.1 The composition of Income: interpreting economic data

This section makes a comparison between data on the composition of income, focusing on employment, state support and remittances. In the questionnaire each household was asked about their sources of income. The topic was divided into three sub-topics covering all sources of income: remittances, state support and employment.

Figure 4.1 Income in ZAR per household per year

Inflation since the end of apartheid has increased dramatically over the years. As seen in chapter 2.3.2 the government loosened exchange controls and abolished the financial Rand in 1995, a decision that entailed serious consequences for the economy. The effects of inflation are seen in Paulshoek first through an increase in the prices of consumer goods. Secondly the government plans to diminish...
unemployment and increase growth have been affected with serious consequences for small dependent villages like Paulshoek. Between 1995 and the end of 2010 the Rand lost 62% of its value. This indicates that for example R100 in mid-2010 equals about R38 in 1995. This inflation rate will be included in analysing the data in order to ensure an accurate comparison between 1995 and 2010.

In all societies it is crucial to gain income in order to create a sustainable livelihood. The one exception is the (uncommon) self-supporting society, which is fairly independent from exogenous factors. Paulshoek used to belong to this category but no longer. This knowledge makes it interesting to see that income through the selling of livestock has increased somewhat, although Paulshoek is no longer self-supporting. Paulshoek’s’ people always used their livestock to maintain their livelihoods; distribution outside the village would only account for 2 percent of their income (see Figure 4.1). The 2010 data show that nowadays households gain more profit from selling livestock, yet its share of total income remains low at 5 percent. Notwithstanding this low percentage, a 5 percent share for the selling of livestock is more than the 3 percent share that remittances contribute.

Figure 4.2 shows the mean income of a household in Paulshoek per year, in Rand. The total annual income has risen from over R 14,000 to a little under R26,000 in nominal terms. That is an 80 percent increase. It is noteworthy that the total income from employment grew moderately – and if inflation is taken into account, even declined, whereas state support increased over five times. The other remarkable thing is that income from remittances fell to an almost negligible fraction of the total income. In 1995 remittances had a 25 percent share in the total income of Paulshoek households; in 2010 this share declined to only 2 percent.

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**Figure 4.2 Employment rates**

![Employment rates](image)

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**Work income**

The total annual work income decreased by 70 percent to R620,000 in 1995 or R425,600 in real terms (see Figure 4.2). Employment is measured by selecting the number of people over 16 with a job. The rising number of elderly people must therefore be taken into account as well. There is no set age at which one is ought to stop working, but at the age of 55 one was in 1995 eligible to receive a State Old
Age Grant. This age was raised to 60 by 2010 however. There has always been a high level of unemployment in Paulshoek. Almost 75 percent of the working population were unemployed in 1995. This level has risen to 85 percent in 2010 (see Figure 4.2). It seems that unemployment is mostly caused by a decrease in temporary jobs. While in 1995 over 10 percent of the people in Paulshoek were working in a temporary job, this number shrunk to less than 5 percent in 2010.

**State support**

State support is an overall concept covering all kinds of financial support given by the state to secure a minimal living standard for its population. These funds are granted per person, not per household. Households therefore receive different amounts of money from the state, depending on the different kinds of support its members receive. Since 1995, almost all categories of state support have increased. The only grant that decreased is the War Veteran Grant, indicating that there are no more ex-soldiers living in Paulshoek. Nevertheless the total amount of state support in Figure 4.3 also includes the 1995 War Veteran Grant.

Figure 4.3 Mean state support per household per month in ZAR

In 2010 the total amount of state support amounted to 50 percent of the entire income of Paulshoek households of which 75 percent came from the State Old Age Pension (SOAP). This is almost the same percentage as in 1995 (see Figure 4.3).

The amount of money each household receives – inflation included – has increased by over 250 percent. Figure 4.3 shows that the other growing grants are the Disability Grant and the Child Support Grant. Disbursements for these grants increased over eight times in the last 15 years. These numbers all indicate that state support is crucial to ensuring a sufficient income for Paulshoek’s inhabitants.

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1 See chapter 2.3.3 for more detail on different kinds of state support, and its implementation during the post-apartheid period.
Remittances

Remittances consist of different kinds of support (commodities or financial support) given at different moments in time (weekly, monthly, annually). An obvious distinction between remittances is the remittances one receives and remittances that one sends. The remittances one receives can be goods, money, or other commodities that come from outside the concerning households’ village. The remittances one sends leave the village to support relatives or friends living elsewhere to go to work, or to school. Figure 4.4 shows the amount of money that was sent in the form of remittances in the years previous to the year of the survey, respectively 1994 and 2009. This nominal amount has hardly increased over the last 15 years². The largest share of the remittances sent in 2010 went to children attending secondary boarding school outside the village. The amount of money received by households in Paulshoek has decreased enormously. In 2010 Paulshoek received in nominal terms R 205,837 less than in 1995, a decline of 77 percent. The number of times people from outside sent money in 2010 has shrunk to 171, almost 4 times less than in 1995, and the number of times households received commodities in 2010 is over 5 times less than in 1995.

Figure 4.4 Total amount of remittances per year in ZAR

Overall it can be concluded that households hardly receive any remittances anymore, whereas in 1995 remittances were one of the supporting pillars of the local society. Somehow, in the last 15 years remittances have lost their importance as a source of financial security.

² Data from 1995 do not conclude where remittances came from and in what form they were received.
4.2 The composition of Households: interpreting social data

This section will compare the composition of the households, focusing on gender, size, age and education. The total number of households that conducted the questionnaire survey is the same as the total number in Paulshoek. This is, however, not the same as the total number of plots available in Paulshoek. There are vacant residences whose owners live just outside Paulshoek to make an income or are for family members. These residences are not considered households within Paulshoek\(^1\), and are, therefore, excluded from the questionnaire survey.

Figure 4.5 shows that the total number of households has increased from 75 in 1995 to 99 in 2010. This rise in number of household contrasts with the slight growth in inhabitants; the total number of inhabitants has hardly increased since 1995: from 398 people in 1995 to 405 in 2010. Thus the average household size has decreased from 5.3 people in 1995 to 4.1 people in 2010 (see Figure 4.6). The division of sexes has remained almost the same as in both 1995 and 2010 there were about 200 men and 200 women in Paulshoek, with slightly more men in 2010 than in 1995, when the difference was a bit bigger (see Figure 4.5).

Figure 4.5 Paulshoek Households

Gender and size

In both 1995 and 2010 the division of the sexes is nearly the same. It is interesting that with the decrease in the number of members per household the number of female members has declined by the same number as male members. This means that there are almost as many men, almost two on average per household, as there are women. In other words: there were more women per household in 1995

---

\(^1\)Households could participate in the survey under certain conditions. These conditions were set on the assumption that Paulshoek is experiencing high mobilty of labour and considerable seasonal labour. Therefore a variation in occupation is to be expected. To set a limit to who is included in the database and who is not, one of the conditions is that the residence in question be occupied for a minimum of 15 days per year in order to be considered a Paulshoek household.
but in 2010 the number of men and women per household was the same (see Figure 4.6). A possible explanation for this development is the fact that women have been less dependent on men since the end of apartheid, creating the opportunity for women to move away from Paulshoek and start a future elsewhere. Many young female family members living elsewhere are responsible for the remittances sent to Paulshoek residents.

Figure 4.6 Mean size per Household

![Graph of mean size per household in 1995 and 2010](image)

In addition to the equal division of males and females per household, Figure 4.7 shows an enormous increase in female heads of households. The percentage grew from 30 percent in 1995 to 44 percent in 2010. As the head of the household is also recognised as the owner of the property, this means that in 2010 about 44 percent of Paulshoek property was in the hands of female inhabitants. Furthermore, there has been a decline in non-resident heads of households from 25 percent of non-resident heads in 1995 to 5 percent in 2010. This finding indicates that i) either the former non-resident head of household quit working outside Paulshoek and retired with his or her family in Paulshoek, thereby becoming a resident head of household; ii) or the non-resident head of household has assigned his or her property to someone else, who is indeed a resident in Paulshoek, and has therefore become the new resident head of household.

Figure 4.7 Head of Household

![Graph of percentage of non-resident and female head of household in 1995 and 2010](image)

Since the number of female heads of household has increased by almost the same percentage as the number of non-resident heads has decreased, a positive connection between these factors is very likely. This connection makes it likely that in 2010 a new head of household who is resident at present and,
more important, female, has replaced the male non-resident head of household of 1995. It is quite possible that the non-resident male head of the 1995 household filled his position only because women’s rights were not as established then as in 2010. Fifteen years later, however, policies have changed and women gained more (ownership) rights. It is now possible for women to register as head of household and to own their property. This appears to show a significant increase in the emancipation of women in Paulshoek since the end of apartheid.

**Age**

Looking at age there are several significant changes Paulshoek has gone through between 1995 and 2010. Although the size of the labour force in the village has remained the same, there are definite signs of both an ageing population and fewer adolescents.

Figure 4.8 Age in Paulshoek

![Age Distribution](image)

Figure 4.8 shows how the number of young people (up to 16 years old) has declined by almost 10 percent to 103 people. This result can either be explained by the fact that fewer children are being born in the village or that mothers with children are more likely to migrate to villages outside Paulshoek, starting a new life in places where they are more likely to find a job. The database is not conclusive, however, about why the number of children under 16 has declined. The number of elderly people, on the other hand, has increased by 10 percent to 92 people. Over the fifteen-year time period the supply of labour has remained the same: about 200 people (50 percent) are employable. This number shows that the changes in age-structure in Paulshoek have had no effect on the labour force and therefore on employment. It might even be possible to increase employment rates, since people do not necessarily need to stop working at the age of 55. Since 1995 the State Old Age Pension (SOAP) Act has been altered so that the minimum age for receiving a pension is 602 thereby prolonging the availability of labour. Many people will need to work until at least the age of 60 in order to earn income after the age of 55.

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2 See Chapter 2.3.3
Figure 4.9 shows the age structure diagram for Paulshoek in 1995 on the left and in 2010 on the right. The left side shows that the age composition in 1995 consisted of a classical pyramid structure with high fertility and mortality rates. Such patterns are characteristic of less developed countries with limited access to birth control, bad hygiene (often through a lack of clean drinking water) and limited access to health care (Knox, 2003). The right of the diagram shows the age composition of Paulshoek’s people in 2010. Over a period of 15 years the classical pyramid structure changed to a Westernized model: a smaller group of young children, a peak in 11 to 15 year olds and a decline up to the age of 40 to 45, after which the number of aged 46 and older is much bigger than it used to be in 1995. Although both sides of the diagram are irregular as a result of the small amount of data, the right side representing the 2010 data shows a less linear line in the population structure. This side resembles the Western standardized diagram shaped as a tower that is typical for an economically more developed country with lower fertility and mortality rates and more access to birth control, better public hygiene and a better health care system (ibid., 2003).

The changes in the Paulshoek age structure diagram from the classical pyramid to an irregular, more tower-like shape indicate an evolution in the social development of the village. The results of more advanced hygiene and better access to health care in Paulshoek since 1995 are reflected in the diagram.

**Education**

After the end of apartheid improved education has been a high government priority, so it is worrying to see that education levels have hardly improved over the last 15 years. Though more people have been educated, the average level did not increase.
Since 1995 the percentage of uneducated people in Paulshoek has declined from 24 in 1995 to 15 percent in 2010. Although more people started school, the mean level of education per household has only risen from Standard\textsuperscript{3} level 3 to 4 (see Figure 4.10). The available data on education is limited but as Figure 4.11 and 4.12 show there are now a few more highly educated people in Paulshoek. Figure 4.12 shows four cases in 2010 where individuals have gone beyond level 10, the highest compulsory standard level in South Africa. The 1995 data (see Figure 4.11) show only one person with an education level higher than standard level 10. It is noteworthy that in 1995 and in 2010 more women than men had been educated in Paulshoek. One likely explanation could be that men leave their homes and villages earlier than women to start employment or become a goatherd.

\textsuperscript{3}See chapter 2.3.3
Figure 4.11 Educational levels Paulshoek 1995
Figure 4.12 Educational levels Paulshoek 2010
5 The influence of Employment, State Income Support and Remittances

The previous chapter has shown that economic and social changes have a large impact on development in a village like Paulshoek. This chapter will further investigate the relation between the economic and social aspects by answering the third sub-question: ‘How do changes in employment, state income support and remittances relate to social changes in Paulshoek between 1995 and 2010?’

In chapter 5.1 the data sets will be combined in profiles in order to simplify the categorization of the data. Chapter 5.2 starts with an analysis of the data for 1995, followed by an analysis of the 2010 data in chapter 5.3. The final chapter 5.4 compares the ‘same-household’ data of households that were present in Paulshoek in 1995 and still are in 2010.

5.1 A deeper insight into Paulshoek’s distribution of income: profiling data

This chapter focuses on creating profiles through combining information derived from the economic data set. With the help of these profiles some general comparisons can be made between the 1995 households and the 2010 households that include many variables from the economic and the social data sets.

5.1.1 Who is rich, who is poor?

Before the households can be profiled, they have to be differentiated into two economic variables: rich households and poor households. This distinction can be made based on the category income per household in a given year. In 1995 the median income per household was R10416; in 2010 this amount was R18780. Rich households receive an income that exceeds this median, while the income of poor households is below the median income.

Figure 5.1 The division of Rich and Poor in 1995 and in 2010

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<table>
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<tr>
<td>P-Pc</td>
<td>39</td>
</tr>
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</table>

The difference in size between households can give a distorted image of the division of income. Larger households with an equal total income to smaller ones – or the other way around, smaller households with an equal income to larger ones – have a different per capita income. To take this difference into
account during the review of the data, households were also categorized into income per capita. In Figure 5.1 all households are divided into ‘Rich’ and ‘Poor’, as well as into ‘Rich per capita’ and ‘Poor per capita’. This method results in four new income categories for households: i) R-Rc, ii) P-Rc, iii) R-Pc, iv) P-Pc\(^4\) (see Figure 5.1). The most preferable situations for a household are the first two categories where in the first case one is rich as a household in its entirety but also rich per capita (R-Rc) and in the second case one is poor as a household, but rich per capita (P-Rc). The more disadvantaged households are the ones that are rich as a household but poor per capita (R-Pc), and the ones that are poor both as a household and per capita (P-Pc).

Figure 5.2 Frequency of ‘sources of income’ in both 1995 and 2010

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<td>11</td>
<td>8</td>
<td>11</td>
<td>30</td>
<td>39</td>
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</tbody>
</table>

5.1.2 Dividing sources of income

Another distinction that can be made between households is between the three primary aspects for sources of income: work income, remittances and state support. The distribution of these sources of income per household is different. To acquire an overview of this distribution, each household was coded according to the share of each source of income within that specific household, classified in order of highest contribution. These codes are used in combination with the four income categories mentioned before to create a description of the extended distribution of income. Figure 5.2 shows the frequency with which these distributions occur within household categories in both 1995 and 2010. The profiles that are created can be used in further identifying the connections within the economic data. Moreover these profiles make it easier to link the economic data to the social data, thereby showing the connections between both sorts of data. Chapter 4.2 uses the profiles in order to get more

\(^4\) The letters R, P, Rc and Pc stand short for respectively Rich, Poor, Rich per capita and Poor per capita
insight into the composition of households in 1995; chapter 4.3 uses them to explore the composition of households in 2010.
5.2 The Composition of Paulshoek Households in 1995

The data on the composition of the households in 1995 show different interconnections than the data of 2010. To explore these different interconnections, chapter 5.2 is dedicated to the composition of households in 1995. It consists of two sub-chapters: chapter 5.2.1 concentrates on rich households; chapter 5.2.2 concentrates on poor households\(^1\). Potential connections are combined with some of the explanations derived from the general data in order to get a deeper insight into societal structures in Paulshoek. These connections are linked to the economic and social aspects derived from the questionnaire data: work income, state support and remittances for the economic data and gender and size, age and education for the social data. To complete the economic comparison of households, profiles are used to make connections between the different aspects. This chapter starts by answering the question how work income, state income support and remittances relate to the development of Paulshoek between 1995 and 2010.

5.2.1 The Composition of Rich Households

Rich households are households that have an income higher than the median income. In 1995 this median income was R10,416 per household per year and R2327 per capita per year. All 37 cases in chapter 5.2.1 have an income that exceeds the per capita income. Every household however has a different profile that accounts for the level of income. These profiles enable a richer interpretation of both the economic and the social data. First the economic data are reviewed by profiling combined with the different income categories. After that the social data will also combine profiling with differentiations within the main categories of the data set.

Interpreting economic data within rich households

As mentioned in the introduction, the economic data will be analysed on the same basis as in the previous chapters: by using the basic economic categories from the questionnaire surveys: work income, state support and remittances. To compare the different profiles within the rich household group, one of the extra differentiations in this section is income. The latter is determined by comparing rich household incomes that mainly depend on work income, state support or remittances in both the categories income per household and income per capita. All incomes were divided into three groups. In the category income per household, the first group, the + group, is the set of incomes under R15000; the second group, the ++ group, is that of incomes between R15000 and R25000; and last the +++ group, that of incomes higher than R25000. In the category income per capita the + group is the set of incomes that are under R3500; the second group, the ++ group, is that of incomes between R3500 and R5500; and last the +++ group, that of incomes higher than R5500. These standards are used for all rich households in this chapter. The differentiation will be useful when the economic data is included in the interpretation of the social data later.

\(^1\) The definition of either a rich or a poor household was made in chapter 4.1.3.
Work Income
The 22 work income based households make a total of 59 percent of all rich households. Looking at the profiles that mainly depend on work income within the category income per household, only 1 household shows an income in the + group. All the other households are in the ++ group (8 cases) and even in the +++ group (13 cases).
If these results are compared to those within the category of income per capita, however, the results are quite different. As many as 6 households have an income per capita that is within the + group. The +++ group contains 7 cases; and there are 9 cases left within the ++ group. (See Figure 5.7)
State Support
Second is the number of rich households that depend mainly on state support and that may or may not have additional income from work income or remittances. The 14 state support based households make a total of 38 percent of all 37 rich households.
In the category income per household there are 14 state support based households. All 14 households are within the + group.
The results for the category income per capita are much more differentiated. There are 2 cases in which the income per capita is in the + group, and 9 cases that are within the ++ group. There are 3 cases in which the income is rated within the +++ group. (See Figure 5.7)
Remittances
Within the group of rich households 1 case mainly depends on remittances for their income and it accounts for only 3 percent of all rich households. Case no. 216 has an income from remittances and work. In the category income per household this household belongs to the + group. In the category income per capita, however, their income is within the ++ group. (See Figure 5.7)
Interpreting social data within rich households
The analysis of rich households in 1995 is not complete without looking at the social data available. The social data will be divided into three main categories – gender and size, age and education – and are discussed per topic. The extra differentiations for analysis in this section will be at the size, age, head of household and educational level. Combined with the differentiation in income and with the profiles it is interesting to find connections within this data and it will be even more challenging to see if there are any relations between the social data and the economic data discussed in the previous chapter.

Gender and size
One of the characteristic gender features within a household is whether the head of household (hereinafter called HH) is male or female. The number of female HHs in Paulshoek in 1995 is 23 out of 75

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2 This number is also the total number of households, rich as well as poor. The latter depend on remittances. These households are profiled R, RW, RS, RWS, and RSW.

3 The differentiation between a male and a female head of household was analyzed in chapter 1.1 by comparing the number of households with a female HH in 1995 and 2010. This section will focus on how female or male HHs relate to the rich households in 1995.
or 30 percent. Of these 23 female HHs 12 women run a rich household, which means 32 percent of all the rich households are run by women.

Looking at the size⁴ of rich households two hypotheses come to mind. Either a large household has more income capabilities and is therefore more likely to belong to Paulshoek’s rich households; or a small household has fewer mouths to feed and is therefore more likely to belong to Paulshoek’s rich households.

The total of large households within the rich household group is 12, which shows that about 32 percent of all rich households consist of more than 4 household members. Of these 12 large households women run only 1 household. Only 1 of the 12 large households is run by a woman, which is 8 percent, while of the 25 small households up to 11 are run by women, about 44 percent. Therefore it seems more likely for a small household to be run by women (see Figure 5.3).

When the profiles are included it appears that 11 out of 12 of the large households – 92 percent – depend on work as their main source of income. For small households this is 11 out of 17 households, only 44 percent (see Figure 5.3). This means larger households are more likely to depend on work income. Furthermore, it is striking that 9 out of 12 female HHs depend on state support, which is 75 percent, as opposed to 5 out of 25 of the male HHs, only 20 percent. These data show that female households are more likely to depend on state support.

The data from the category income per capita show that 6 large households belong to the + group, 5 households belong to the ++ group and only 1 household belongs to the +++ group (See Figure 5.3). From the group of small households there are 2 cases that belong to the + group and up to 14 are work income based households, while 9 cases belong to the +++ group. The two other cases in the +++ group are run by women and are respectively state support based and remittances based. These data confirm the hypothesis that small households are more likely to belong to a higher income group than large households.

Age

The age of the head of household⁵ is the main differentiation used in this section. The first connection to be investigated is whether there is a relation between the age of the HH and the financial position of the household. Second it may be interesting to compare the age of the HH to the specific profiles of households. The last step is to investigate whether the age of the HH is related to the size of the household.

The total number of HHs in Paulshoek that is 55 years or older is 32 out of 75, a total of 43 percent. Some 17 out of 37 rich households – 46 percent – have an elderly HH. This is less than half of the rich households, so the chance of a rich household being run by an elder is slightly less.

Last is the case where size is compared on the basis of age. In 10 cases an elder runs a large household, compared to 7 cases of the small households. The number of HHs that is not considered elder is 9 for

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⁴ A large household consists of 5 or more members, so a small household consists of 4 or fewer household members.

⁵ In chapter 1.1 the age limit for being considered old is set at 55, because this was the age at which one could retire in 1995. The terms used for this specific group of people in this text are ‘elder’, or ‘elderly’.
large households and 11 for small ones. This shows that it is almost as likely for an elder HH to be head of small or large household as it is for a non-elder HH.

Figure 5.3 All 37 rich households of 1995: categorizing size, gender and income per capita

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<thead>
<tr>
<th>Large households</th>
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<td>+ Group</td>
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<tr>
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<td>++ Group</td>
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<td>+++ Group</td>
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<td></td>
<td>+++ Group</td>
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</tr>
</thead>
<tbody>
<tr>
<td>Male head</td>
<td>Work income</td>
</tr>
<tr>
<td></td>
<td>+ Group</td>
</tr>
<tr>
<td>State support</td>
<td>+ Group</td>
</tr>
<tr>
<td>Remittances</td>
<td>+ Group</td>
</tr>
<tr>
<td>No income</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
</tr>
</tbody>
</table>

**Education**

Education\(^6\) is the livelihood variable least extensively recorded by the questionnaire survey and there are few robust findings from these data (moreover, the relationship between age and education has already been examined in chapter 4.1.2). It may be interesting, however, to analyse how education relates to rich households and if there are any links between education and household size. Furthermore the relationships between education and profile and between education and income have been investigated.

As much as 7 out of 37 of these rich households are run by a highly educated HH. This means 19 percent of rich households have a HH that is highly educated.

The number of highly educated HHs that run a large household opposed to the number that run a small household is 6 opposed to 1, compared to the total number of large and small: 12 and 25. These unequal divisions show a clear pattern in the relationship between household size and educational level:

---

\(^6\)Whether or not a HH is highly educated is based on the findings from chapter 1.1. As the average educational level in 1995 is Standard Level 3, one is considered to be highly educated if one has completed Standard Level 5. A low education is everything beneath Standard Level 5.
It is much more likely to be highly educated in a large household, which shows a 50 percent chance, than to be highly educated in a small household, with only a 4 percent chance (see Figure 5.4).

Up to 75 percent of all highly educated HHs show a profile that depends on work income. The other 2 households depend on state support and remittances. There are 2 households that belong to the +++ group and 4 households that are in the ++ group. There is only 1 household in the + group. This is significant because it means that there is no positive relationship between education and income.

The analysis of the composition of rich households in 1995 has shown that there are many relationships between the profiles and the economic data, the economic data and the social data, and between the social data and the profiles as well. Not all are robust, but they set a good example of what to look for when examining the composition of poor households in 1995.

Figure 5.4 Education in rich households 1995

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>Large Household</th>
<th>Small Household</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>High education</td>
<td>6</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Low education</td>
<td>6</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12</td>
<td>25</td>
<td>37</td>
</tr>
</tbody>
</table>

5.2.2 The Composition of Poor Households

The definition of a poor household in Paulshoek in 1995 is one with an income below the median 1995 per capita income of R2327 per year. All 38 households included in chapter 5.2.2 have an income less than the median income, making them part of the poor households. The poor households have a great variety of profiles. These profiles are again combined with numerous sets of differentiations to gain more insight into the economic and social data, this time for the composition of poor households.

Interpreting economic data within poor households

First the economic data will be analysed, starting with work income followed by state support and finally remittances. The differentiation that is used in this section is income and is made through comparing poor household incomes that mainly depend on work income, state support or remittances in the categories income per household and income per capita. All incomes were divided into three groups. In the category income per household, the group is the set of incomes that are over R5500; the -- group is that of incomes between R3500 and R5500; and the +++ group is of incomes under R3500. In the category income per capita the - group is the set of incomes that are over R1700; the -- group is that of incomes between R700 and R1700; and the +++ group is that of incomes under R700. These standards are used for all poor households in this chapter.

Work Income

The 18 work income based households have a total share of 47 percent of all poor households. Looking at the profiles that mainly depend on work income within the category income per household, it becomes apparent that only 2 households have an income that belongs to the --- group. The other households have an income in the -- group (5 cases) or in the - group (11 cases).
If these results are compared to those within the category of income *per capita*, only 1 household has an income within the --- *group*. The – group increases to 11 households. Only 6 households have an income within the - *group* (See Figure 5.7).

**State Support**
Second is the number of *poor households* that depend on state support. These 15 households account for 39 percent of all *poor households*. Of the state support based households, there is 1 household in the category *income per household* that belongs to the --- *group*, and the same goes for the category *income per capita*. In the category *income per household* there are 5 households within the -- *group* and 9 households in the - *group*. In the category *income per capita* there are 11 households in the -- *group* and 3 households in the - *group* (See Figure 5.7).

**Remittances**
Case no. 219 depends on *remittances* combined with *work income* as its source of income and it accounts for only 3 percent of all *poor households*. This household has an extremely low income and therefore belongs in both the *income per household* category and in the *income per capita* category to the --- *group* (See Figure 5.7).

In the data for 1995 there are 3 households – 8 percent of all *poor households* – without any sources of income. Their data is included in calculating the median income for *poor households* in 1995, which gives a skewed distribution of income for the *poor households*. There are households that rely on friends, neighbours and family for remittances in the form of food or other commodities. The goods are not recorded as real value but considered ‘gifts’ and are therefore not found in the household data. Although this information cannot be reflected in the data, it is valuable to include these households. There are probably even more excluded from global society than in all the other cases and therefore they are interesting to study.

Interpreting social data within poor households
The analysis of *poor households* in 1995 is not complete without looking at the available social data, which is divided into three main categories: *gender and size*, *age* and *education*. The extra differentiations for analysis in this section are *size*, *age*, *head of household* and *educational level*. Combined with the differentiation in *income*, it will be interesting to see if there are any relationships between the livelihood and the economic data.

**Gender and size**
The first differentiation in this section is the *head of household*⁷ (hereinafter called HH). This section will focus on how female and male HHs relate to *poor households* in 1995. The total number of female HHs in Paulshoek in 1995 was 23. Up to 11 of these women run a *poor household*. This amounts to 30 percent of all *poor households* and means that there are still more men running the *poor households* than women.

⁷ The differentiation between a male and a female head of household was discussed in chapter 1.1 by comparing the number of households with a female *HH in 1995 and 2010*. This section will focus on how female or male HHs related to the *poor households* in 1995.
When the size\(^8\) of the households is analysed, the same two hypotheses can be made for poor households as for rich households: either a large household has more income capabilities and is therefore more likely to belong to Paulshoek’s rich households; or a small household has fewer mouths to feed and is therefore more likely to belong to Paulshoek’s rich households.

The total of large households within the poor household group is 17; so about 44 percent of all poor households consist of more than 4 members. Of these 17 large households 4 are run by women. In this case there is a slightly higher chance of women running a small household (see Figure 5.5)

Adding the profiles to these data, it appears that 10 out of 17 of the large households – 59 percent – depend on work as their main source of income. For small households it is 8 out of 21 – 38 percent (see Figure 5.5). It is striking that 6 out of 11 female HHs run a household that mainly depends on state support, as opposed to 8 out of 27 of the male HHs. This shows that it is likely for a woman to run a poor household that depends on state support.

The data from the category income per capita show that there are 4 large households with an income in the - group. Another 11 households have an income in the -- group, and 2 households belong to the --- group. For the small households there are 5 households within the - group, 13 households within the – group and 1 household in the --- group. Then there are 3 households without any income. These data do not confirm the hypothesis that small households are more likely to position themselves in a higher income group than large households (see Figure 5.5).

Age

The age of the HHs\(^9\) is the main differentiation used in this section. The structure of this section will be the same as for rich households. The first connection to be investigated is whether there is a relationship between the age of the HH and its financial position. Second it might be interesting to compare the age of the HH to the specific profile of a household. The last step is to investigate whether the age of the HH is related to the size of the household.

The total number of HHs in Paulshoek that is 55 years or older is 32 out of 75 or 44 percent. Some 11 out of 38 poor households – 29 percent – have a HH who is elder. This is less than half of all poor households, meaning the chance of a poor household being run by an elder is smaller.

The different profiles seem to be influenced by the age of the HH of the poor households. Out of the 11 cases with elderly HHs, 3 are based on work income and 6 are based on state support. There is a 20 percent higher chance that an elder HH will rely on state support than a non-elder HH. There is a 16 percent higher chance that a non-elder HH will rely on work income than an elder HH.

Last is the case when size is compared on the basis of age. In 6 cases an elder runs a large household, compared to 5 cases of the small households. The number of non-elder HHs is 11 for large households and 16 for small ones. This shows that a non-elder is 14 percent more likely to be HH of a large household, and that elder HHs are 14 percent more likely to run a small household.

---

\(^8\) A large household consists of 5 or more members; so small households consist of 4 or fewer household members.

\(^9\) In chapter 1.1 the age limit for being considered old is set at 55, because this was the age at which one could retire in 1995. The terms used for this specific group of people in this text are ‘elder’, or ‘elderly’.
Considering education, the data on poor households is almost identical to that on rich households. Again, the links between education and poor household and between education and household size are investigated; followed by the relations between education and profile, and education and income. About 65 percent of all highly educated HHs runs a poor household. On the other hand, only 13 out of 38 of these poor households are run by a highly educated HH. This means 34 percent of poor households have a HH that is highly educated.

Figure 5.6 Education in poor households 1995

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>Large Household</th>
<th>Small Household</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>High education</td>
<td>1</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Low education</td>
<td>16</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>17</strong></td>
<td><strong>21</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>

---

10 Whether or not a HH is highly educated is based on the findings from chapter 4.1.2. As the average educational level in 1995 is Standard Level 3, one is considered to be highly educated when at least Standard Level 5 has been attained. A low education is everything beneath Standard Level 5.
The number of highly educated HHs that run a large household opposed to the number that run a small household is 1 against 6, compared to the total amount of large and small: 17 against 21. These unequal divisions show that there is a higher chance that a small household is higher educated (see Figure 5.6). Up to 69 percent of all highly educated HHs, however, show a profile that depends on work income. The other 4 households depend on state support. There are 5 households that belong to the - group and 6 households in the -- group. There are only 2 households in the --- group. This shows a slightly positive relation between education and income.

Figure 5.7 The economic categories divided into wealth groups

<table>
<thead>
<tr>
<th>Income per Household</th>
<th>Income per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1995</td>
</tr>
<tr>
<td>Rich Work</td>
<td>22</td>
</tr>
<tr>
<td>+ ++ +</td>
<td>8</td>
</tr>
<tr>
<td>++ +++ State</td>
<td>13</td>
</tr>
<tr>
<td>+ ++ +</td>
<td>14</td>
</tr>
<tr>
<td>+ ++ +</td>
<td>0</td>
</tr>
<tr>
<td>+ ++ +</td>
<td>0</td>
</tr>
<tr>
<td>Remittances + ++ +</td>
<td>1</td>
</tr>
<tr>
<td>+ ++ +</td>
<td>1</td>
</tr>
<tr>
<td>+ ++ +</td>
<td>0</td>
</tr>
<tr>
<td>+ ++ +</td>
<td>0</td>
</tr>
</tbody>
</table>

| Poor Work | 18   | 10   | Poor Work 47% | Poor Work 20% |
| - ++ -- - | 11   | 6    | - 6   | - 4   |
| - ++ -- - | 5    | 3    | -- 11  | -- 5  |
| - ++ -- - | 2    | 1    | -- 1   | -- 1  |
| State Remittances + ++ + | 15   | 37   | State 39% | State 74% |
| - ++ -- - | 9    | 13   | - 3   | - 5   |
| - ++ -- - | 5    | 11   | -- 11  | -- 18 |
| - ++ -- - | 1    | 13   | -- 1   | -- 14 |
| Remittances + ++ + | 1    | 0    | Remittances 3% | Remittances 0% |
| - ++ -- - | 1    | 0    | - 0   | - 0   |
| - ++ -- - | 0    | 0    | -- 1   | -- 0   |
| - ++ -- - | 0    | 0    | -- 0   | -- 0   |
| NO Poor | 3    | 3    | NO 8% | NO 6% |
5.3 The composition of Paulshoek Households in 2010

The composition of households in 2010 differs from the composition of households in 1995 in various ways. To answer the question how work income, state income support and remittances relate to the development of Paulshoek between 1995 and 2010, the analysis concentrates on these variables in the data of 2010. Chapter 5.3.1 concentrates on rich households, followed by chapter 5.3.2, which focuses on poor households. Potential connections are combined with explanations derived from the general data. These connections are linked to other livelihood aspects derived from the questionnaire data. As well as the economic aspects of work income, state support and remittances the livelihood aspect that are investigated are gender and size, age and remittances. As in chapter 5.2, profiles are used to find deeper connections between these different facets.

5.3.1 The Composition of Rich Households

Rich households have an income higher than the median. In 2010 the median income was R18,780 per household per year and R6017 per capita. All 49 cases in chapter 5.3.1 have an income that exceeds the median per capita income. Every household, however, has a different profile that accounts for the level of income. These profiles enable an interpretation of both the economic data and the social data in more depth. First the economic data will be analysed on the basis of profiling, combined with different income categories. After that the social data will also combine profiling with differentiations within the main categories of every data set.

Interpreting economic data within rich households

As mentioned, the economic data will be analysed on the same basis as in the previous chapter: by using the basic economic categories from the questionnaire surveys: work income, state support and remittances. To compare the different profiles within the rich household group, one of the extra differentiations in this section concerns income and is made through comparing rich household incomes that mainly depend on work income, state support or remittances into the categories income per household and income per capita. All incomes were divided into three groups. In the category income per household the + group is the set of incomes that are under 26000; the ++ group is that of incomes between R26000 and R46000; and the +++ group is that of incomes higher than R46000. In the category income per capita the + group is the set of incomes that are under R8000; the ++ group is that of incomes between R8000 and R12000; and the +++ group that of incomes higher than R12000. These standards are used for all rich households in this chapter. This differentiation will be useful when the economic data is included in the interpretation of the social data later.

Work Income

The 22 households with work income as a basis account for 45 percent of all rich households. In the case of the profiles that mainly depend on work income within the category income per household, there is 1 household that belongs to the + group; as many as 11 households belong to the ++ group and another 10 belong to the +++ group.
If these results are compared to those within the category *income per capita* the results change slightly. Only 1 household has an *income per capita* within the + group, up to 12 households fall within the +++ group, while the other 9 households are within the ++ group. (See Figure 5.7)

**State Support**

Second is the number of *rich households* that depend mainly on *state support*, which may or may not have additional income from *work income* or *remittances*. These 27 households account for 55 percent of all *rich households*. In the category *income per household* there are 16 households that belong to the + group. Some 10 households have an income in the ++ group and there is 1 household within the +++ group.

The results for the category *income per capita* are a bit different. There are 9 households within the + group and 6 households within the ++ group, while to 12 households belong to the +++ group. (See Figure 5.7)

**Remittances**

There are no households that base their main income on *remittances*. The number of *rich households* that receive *remittances* as additional income is very low: only 8 out of 49. This makes *remittances* a relatively less significant category in the economic data for 2010. (See Figure 5.7)

**Interpreting social data within rich households**

The analysis of *rich households* in 2010 is not complete without looking at the social data available. The social data will be split into three main aspects – *gender and size, age* and *education* – and discussed per topic. The extra differentiations for analysis in this section cover *size, age, head of household* and *educational level*. Combined with the differentiation in *income* and with the profiles, it is interesting to find connections within this data and even more challenging to see if there are any relationships between the social data and the economic data discussed in the previous chapter.

**Gender and size**

One of the characteristic gender features within a household is whether the *head of household*\(^1\) (hereinafter called HH) is male or female. The number of female HHs in Paulshoek in 2010 was 44. Of these 44 women, 26 run a *rich household*. This amounts to 53 percent of all the *rich households* and shows that there are more women than men running a *rich household*.

Looking at the *size*\(^2\) of *rich households* two hypotheses come to mind regarding *large households* and *poor households*. Either a *large household* has more income capabilities and is therefore more likely to belong to Paulshoek’s *rich households*; or a *small household* has fewer mouths to feed and is therefore more likely to belong to Paulshoek’s *rich households*.

---

\(^1\) The differentiation between a male or female head of household was discussed in chapter 1.1 by comparing the number of households with a female HH in 1995 and 2010. This section will focus on how female or male HHs relate to the *rich households* in 2010.

\(^2\) A large household consists of 5 or more members. This automatically means that a small household consists of 4 or less household members.
The total number of large households within the rich household group is 12, so that about 24 percent of all rich households consist of more than 4 household members. Of these 12 large households, 7 are run by women (see Figure 5.8). Women have an equal chance of running a large or a small household. When the profiles are included, it appears that 8 out of 12 of the large households – 67 percent – depend on work as their main source of income. For small households this is 14 out of 37 or 38 percent (see Figure 5.8). It is striking that 16 out of 26 female HHs run a household that mainly depends on state support, as opposed to 11 out of 23 of the male HHs.

If the category income per capita is included in the analysis as well, it turns out that 5 large households (42 percent) belong to the + group, 5 households (42 percent) belong to the ++ group and 2 households (16 percent) belong to the +++ group. From the group of small households again 5 households (14 percent) belong to the + group, 10 households (27 percent) belong to the ++ group and 22 households (59 percent) belong to the +++ group. These data confirm the hypothesis that small households are much more likely to position themselves in a higher income group than large households (see Figure 5.8).

Figure 5.8 All 49 rich households of 2010: categorizing size, gender and income per capita

<table>
<thead>
<tr>
<th>Large households</th>
<th>Small households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female head Work income</td>
<td>Female head Work income</td>
</tr>
<tr>
<td>+ Group 1</td>
<td>+ Group 0</td>
</tr>
<tr>
<td>++ Group 4</td>
<td>++ Group 3</td>
</tr>
<tr>
<td>+++ Group 0</td>
<td>+++ Group 2</td>
</tr>
<tr>
<td>State support + Group 2</td>
<td>State support + Group 5</td>
</tr>
<tr>
<td>++ Group 0</td>
<td>++ Group 2</td>
</tr>
<tr>
<td>+++ Group 0</td>
<td>+++ Group 7</td>
</tr>
<tr>
<td>Remittances + Group 0</td>
<td>Remittances + Group 0</td>
</tr>
<tr>
<td>++ Group 0</td>
<td>++ Group 0</td>
</tr>
<tr>
<td>+++ Group 0</td>
<td>+++ Group 0</td>
</tr>
<tr>
<td>Male head Work income</td>
<td>Male head Work income</td>
</tr>
<tr>
<td>+ Group 0</td>
<td>+ Group 0</td>
</tr>
<tr>
<td>++ Group 1</td>
<td>++ Group 1</td>
</tr>
<tr>
<td>+++ Group 2</td>
<td>+++ Group 8</td>
</tr>
<tr>
<td>State support + Group 2</td>
<td>State support + Group 0</td>
</tr>
<tr>
<td>++ Group 0</td>
<td>++ Group 4</td>
</tr>
<tr>
<td>+++ Group 0</td>
<td>+++ Group 5</td>
</tr>
<tr>
<td>Remittances + Group 0</td>
<td>Remittances + Group 0</td>
</tr>
<tr>
<td>++ Group 0</td>
<td>++ Group 0</td>
</tr>
<tr>
<td>+++ Group 0</td>
<td>+++ Group 0</td>
</tr>
<tr>
<td>No income 0</td>
<td>No income 0</td>
</tr>
<tr>
<td>Total 12</td>
<td>Total 37</td>
</tr>
</tbody>
</table>
Age

The age of the head of household\(^3\) is the main differentiation used in this section. The first connection to be investigated is whether there is a relationship between the age of the HH and the financial position of the household. Second it may be interesting to compare the age of the HH to the specific profiles of households. The last step is to investigate whether the age of the HH is related to the size of the household.

The total number of Heads of Household (HHs) in Paulshoek in 2010 that is over 55 years old is 59 out of 99, which is a total of 60 percent. Some 31 out of 49 rich households – 63 percent – have an elder HH. This is more than half of the rich households, meaning that concerning the financial position of elderly HHs the chance of running a rich household is bigger.

The different profiles seem to be influenced by whether or not the HH is elderly. Out of the 31 households with elderly HHs, 9 are based on work income and 22 are based on state support. The proportions between work income and state support in general for rich households are 22 against 27. There is an 18 percent higher chance that an elder HH within a rich household will rely on state support than for a general rich household to do so.

Last is the case when size is compared on the basis of age. In 7 cases an elder runs a large household, compared to 28 cases of the small households. The number of HHs that is not considered elder is 5 for large households and 9 for small ones. This shows that a non-elder is 16 percent more likely to be HH of a large household, and that elder HHs are 16 percent more likely to run a small household.

Figure 5.9 Education in rich households 2010

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>Large Household</th>
<th>Small Household</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>High education</td>
<td>4</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>Low education</td>
<td>8</td>
<td>26</td>
<td>32</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12</td>
<td>37</td>
<td>49</td>
</tr>
</tbody>
</table>

Education

Education is the livelihood variable that is least extensively recorded by the questionnaire survey. There are few robust findings from these data; the relation between age and education has already been examined in chapter 4.1.2. It may be interesting, however, to see how education\(^4\) relates to rich households and if there are any links between education and household size. Furthermore this section investigates the relations between education and profile and education and income.

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\(^3\) In chapter 1.1 the age limit for being considered old is set at 55, because this was the age at which one could retire in 1995. The terms used for this specific group of people in this text are ‘elder’, or ‘elderly’.

\(^4\)Whether or not a HH is highly educated is based on the findings from chapter 1.1. As the average educational level in 1995 is Standard Level 3, one is considered to be highly educated when at least Standard Level 5 has been attained mastered. A low education is everything beneath Standard Level 5.
About 17 out of 49 of these rich households are run by a highly educated HH. This means 35 percent of rich households have a HH that is highly educated.

The number of highly educated HHS that run a large household opposed to the number that runs a small household is 8 against 9, compared to the total of large and small: 12 against 37. These unequal divisions show that there is a higher chance that a small household is higher educated (see Figure 5.9).

Up to 75 percent of all highly educated HHS, however, show a profile that depends on work income. The other 4 households depend on state support. There are 8 households that belong to the +++ group and 7 households in the ++ group. There are 5 households is in the + group. This shows no relation between education and income.

5.3.2 The composition of poor households

The definition of a poor household in Paulshoek in 2010 is a household with an income below the median 2010 per capita income of R6017 per year. All 49 households included in chapter 5.3.2 have an income less than the median income, making them part of the poor households. The poor households have a great variety of profiles. These profiles are combined with numerous sets of differentiations to gain more insight into the economic and social data, this time for the composition of poor households.

Interpreting economic data within poor households

First the economic data will be examined, starting with work income, followed by state support and finally remittances. The differentiation that is used in this section is income. The differentiation is made through comparing poor household incomes that mainly depend on work income, state support or remittances in both the categories income per household and income per capita. All incomes were divided into three groups. In the category income per household the - group is the set of incomes over R15000; the -- group is that of incomes between R9000 and R15000; and the --- group is that of incomes under R9000. In the category income per capita the - group is the set of incomes that are over R5000; the -- group is that of incomes between R2000 and R5000; and the - group of incomes under R2000. These standards are used for all poor households in chapter 4.2.2.

Work Income

The 10 households that base their income on work make up 20 percent of all poor households. An examination of the profiles that mainly depend on work income within the category income per household shows 6 households with an income that belongs to the - group, and 3 more that belong to the -- group. There is only 1 work income based household within the --- group.

If these results are compared to those within the category of income per capita, the situation changes. There are 4 households within in the - group and 5 households within the -- group. Again 1 household belongs to the --- households (See Figure 5.7).

State Support

Second is the number of poor households that depend on state support. These 37 households account for 74 percent of all poor households. About 13 households belong to the - group in the income per household category. Some 11 households receive a -- group income in the income per household
category and there are 13 households within the --- group in the income per household category. In the income per capita category there are 5 households within the - group. The -- group grows to 18 households, and the --- group includes 14 households. (See Figure 5.7)

Remittances
There are no households that base their income on remittances, but 6 poor households have additional income from remittances. Remittances are marginal in the 2010 households. (See Figure 5.7)
As in 1995, there are 3 households – 6 percent of all poor households – without any traceable sources of income. It is again significant to include this information for the analysis of the data because this means there is very informal network that provides these households with food and clothing. The households are very likely to depend on friends, neighbours and family for commodities but the monetary value of the latter is not part of the data.

Interpreting social data within poor households
The analysis of poor households in 2010 is not complete without looking at the social data. The latter divided into three main categories: gender and size, age and education and extra differentiations: size, age, head of household and educational level. Combined with the differentiation in income, it will be interesting to see if there are any relationships between the social data and the economic data.

Gender and size
The first differentiation in this section is the head of household (hereinafter called HH). This section will focus on how female and male HHs relate to poor households in 2010. The number of female HHs in Paulshoek in 2010 was 44. Of these 44 women 18 run a poor household. This comes down to 36 percent of all the poor households.
When the size of the households is addressed, the same two hypotheses as for rich households can be made for poor households: either a large household has more income sources and is therefore more likely to belong to Paulshoek’s rich households; or a small household has fewer mouths to feed and is therefore more likely to belong to Paulshoek’s rich households.
The total number of large households within the poor household group is 23; thus about 46 percent of all poor households consist of more than 4 members. Of these 23 large households 7 are run by women (see Figure 5.10).
Adding the other profiles to these data it appears that 5 out of 23 of the large household 22 percent depend on work as their main source of income. For small households it is 5 out of 27 – 19 percent (see Figure 5.10). It is striking that 25 out of 32 of the male HHs run a household that mainly depends on

---

5 The differentiation between a male and a female head of household was discussed in chapter 4.1.2 by comparing the number of households with a female HH in 1995 and 2010. This section will focus on how female or male HHs relate to the poor households in 2010.

6 A large household consists of 5 or more members. This automatically means that small household consists of 4 or less household members.
state support, opposed to 12 out of 18 female HHs. This shows that it is more likely for a man to run a rich household that depends on state support than for a woman.

The data from the category income per capita show that there are 5 large households with an income in the - group. There are 8 households that have an income in the -- group, and 10 that belong to the --- group. Among the small households there are 4 households within the - group. There are 13 households that belong to the -- group and 7 households that belong to the --- group. The three households that have no income are all small households. These data confirm the hypothesis that higher income groups are more likely to appear in small households than in large households (see Figure 5.10).

Figure 5.10 All 50 poor households of 2010: categorizing size, gender and income per capita

<table>
<thead>
<tr>
<th>Large households</th>
<th>Small households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female head</td>
<td>Female head</td>
</tr>
<tr>
<td>Work income</td>
<td>Work income</td>
</tr>
<tr>
<td>- Group 2</td>
<td>- Group 1</td>
</tr>
<tr>
<td>-- Group 0</td>
<td>-- Group 1</td>
</tr>
<tr>
<td>--- Group 2</td>
<td>--- Group 0</td>
</tr>
<tr>
<td>State support</td>
<td>State support</td>
</tr>
<tr>
<td>- Group 0</td>
<td>- Group 0</td>
</tr>
<tr>
<td>-- Group 0</td>
<td>-- Group 5</td>
</tr>
<tr>
<td>--- Group 3</td>
<td>--- Group 4</td>
</tr>
<tr>
<td>Remittances</td>
<td>Remittances</td>
</tr>
<tr>
<td>- Group 0</td>
<td>- Group 0</td>
</tr>
<tr>
<td>-- Group 0</td>
<td>-- Group 0</td>
</tr>
<tr>
<td>--- Group 0</td>
<td>--- Group 0</td>
</tr>
<tr>
<td>Male head</td>
<td>Male head</td>
</tr>
<tr>
<td>Work income</td>
<td>Work income</td>
</tr>
<tr>
<td>- Group 0</td>
<td>- Group 1</td>
</tr>
<tr>
<td>-- Group 1</td>
<td>-- Group 1</td>
</tr>
<tr>
<td>--- Group 0</td>
<td>--- Group 1</td>
</tr>
<tr>
<td>State support</td>
<td>State support</td>
</tr>
<tr>
<td>- Group 3</td>
<td>- Group 2</td>
</tr>
<tr>
<td>-- Group 7</td>
<td>-- Group 6</td>
</tr>
<tr>
<td>--- Group 5</td>
<td>--- Group 2</td>
</tr>
<tr>
<td>Remittances</td>
<td>Remittances</td>
</tr>
<tr>
<td>- Group 0</td>
<td>- Group 0</td>
</tr>
<tr>
<td>-- Group 0</td>
<td>-- Group 0</td>
</tr>
<tr>
<td>--- Group 0</td>
<td>--- Group 0</td>
</tr>
<tr>
<td>No income</td>
<td>No income</td>
</tr>
<tr>
<td>Total 23</td>
<td>Total 27</td>
</tr>
</tbody>
</table>

Age

The age of the HHs\(^7\) is the main differentiation used in this section. The structure of this section will be the same as for rich households. The first connection to be investigated is whether there is a relationship between the age of the HH and the financial position of the household. Second it may be interesting to compare the age of the HH to the specific profile of a household. The last step is to investigate whether the age of the HH is related to the size of the household in order to see if there are any connections there.

\(^7\) In chapter 1.1 the age limit for being considered old is set at 55, because this was the age at which one could retire in 1995. The terms used for this specific group of people in this text are ‘elder’, or ‘elderly’.
Some 24 out of 50 poor households – 48 percent – have a HH who is elder. (There are two households with insufficient data on age in 2010 for the poor households.) This is almost half of all poor households, meaning that the financial position of elderly HHs the chance of a poor household being run by an elder is almost equal.

The different profiles seem to be hardly influenced by the age of the HH of the poor households. There is only a 3 percent higher chance that a household with an elder HH will rely on state support than a household with a non-elder HH. There is a 9 percent higher chance that a household with a non-elder HH will rely on work income than an elder HH.

Last is the case when size is compared on the basis of age. In 11 cases an elder runs a large household, compared to 13 cases of the small households. The number of non-elder HHs is 10 for large households and 14 for small ones. This shows that a non-elder are more likely to be HH of a small household and that elder HHs are more likely to run a large household.

Figure 5.11 Education in poor households 2010

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>Large Household</th>
<th>Small Household</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>High education</td>
<td>9</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Low education</td>
<td>14</td>
<td>26</td>
<td>40</td>
</tr>
<tr>
<td>TOTAL</td>
<td>23</td>
<td>27</td>
<td>50</td>
</tr>
</tbody>
</table>

Education

Education is the livelihood variable that is least recorded by the questionnaire survey. There are few robust findings from these data; the relation between age and education has been examined in chapter 4.1.2. It may be interesting however to see how education\(^8\) relates to rich households and if there are any links between education and household size. Furthermore the relationships between education and profile and education and income are investigated.

About 19 out of 50 of the poor households are run by a highly educated HH; thus 38 percent of poor households have a highly educated HH. The number of highly educated HHs that run a large household as opposed to the number that runs a small household is 9 out of 10, compared to the total number of large and small households: 23 out of 27. These unequal divisions show that there is a higher chance that a small household is higher educated (see Figure 5.11).

Up to 32 percent of all highly educated HHs, however, show a profile that depends on work income. The other 13 households depend on state support or have no income. There are 5 households that belong to the - group and 7 households that are in the -- group. There are 7 households is in the --- group. This shows that there is no relationship between education and income.

---

\(^8\)Whether or not a HH is highly educated is based on the findings from chapter 4.1.2. As the average educational level in 1995 is Standard Level 3, one is considered to be highly educated when at least Standard Level 5 has been attained. A low education is everything beneath Standard Level 5.
5.4 Comparing same households: Who is still present in 2010?

The introduction to the general data of the Paulshoek survey was broadly analysed in chapter 4. Chapter 5.2 and chapter 5.3 have focussed on the data analysis of 1995 and 2010 separately. Chapter 5.4 will concentrate on those households that existed in 1995 and still do in 2010. These 32 households distinguish themselves by the fact that the case numbers of 1995 belongs to the same family as the new case numbers in 2010, which made it possible to compare the old data of the households of 1995 to the new data from the same households in 2010. The purpose is to examine in detail what economical and social development changes the 32 households have gone through over the 15-year period between 1995 and 2010.

Figure 5.12 Frequency of 'sources of income' in 'same household'-cases 1995-2010

<table>
<thead>
<tr>
<th></th>
<th>RICH</th>
<th></th>
<th>POOR</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
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<td>W</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
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<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>WRS</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>WSR</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>S</td>
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<td>3</td>
<td>-</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>SW</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>SR</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SWR</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>SRW</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R</td>
<td>-</td>
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<tr>
<td>RW</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>RS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>RWS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>RSW</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

5.4.1 Profiling the ‘same household’ data

The four categories are unequally differentiated in 1995 and 2010. In 1995 as many as 18 of 32 households were qualified as P-Pc and 3 more were qualified R-Pc. So a total of 21 households of the same household group, or 65 percent, were qualified as Poor in 1995. This same household group did not do much better in 2010 when only 14 of the 32 households were qualified P-Pc and 6 households were qualified R-Pc. The qualification Poor can therefore be used for a total of 20 households, 63 percent of all same households. The improvement lies in the fact that the R-Pc category of Poor households in 2010 is bigger than in 1995; meaning that for that sub group the income per household is rising. But the size of these households has grown as well, thereby countering the advantage.
Figure 5.12 shows the trends in the frequency of the sources of income in the same households over time; Figure 5.13 shows the changes in category – work income, state support and remittances – of these cases over time. As many as 21 households have remained in the same sources of income category in both 2010 and 1995. In 4 of these cases the specific households also maintained the same sources of income composition. These 4 cases are all disadvantaged households. One of them is categorized R-Pc (case nr. 159-1042), the other three are categorized P-Pc (respectively case no. 182-1045; no. 206-1061; and case no. 217-1076). It is interesting that none of these households share any other comparable livelihood characteristics described in chapter 5.4.3. The change in composition of the other seventeen cases does not reveal any distinct patterns. There are 7 households that changed to a higher category in 2010. None of their compositions have remained the same, but all 7 cases show state support as one of their sources of income in 2010, whereas only 4 households received state support in 1995. There are no other patterns visible in these seven cases either. The 4 households that changed to a lower category do show a pattern: in none of these cases does the household receive income from work in 2010 whereas they all gained work income in 1995.

Figure 5.13 ‘Source of income’ changes in household categories over the time period 1995 - 2010

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R-Pc</strong></td>
<td></td>
<td></td>
<td><strong>P-Pc</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>158-1055</td>
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<td>S</td>
<td>166-1077</td>
<td>O</td>
<td>S</td>
<td>163-1059</td>
<td>W</td>
<td>SRW</td>
<td>160-1041</td>
<td>WR</td>
<td>S</td>
</tr>
<tr>
<td>162-1052</td>
<td>WRS</td>
<td>WS</td>
<td>167-1018</td>
<td>W</td>
<td>WS</td>
<td>169-1054</td>
<td>SRW</td>
<td>WSR</td>
<td>168-1039</td>
<td>W</td>
<td>S</td>
</tr>
<tr>
<td>170-1071</td>
<td>WR</td>
<td>WSR</td>
<td>172-1053</td>
<td>W</td>
<td>SW</td>
<td>178-1005</td>
<td>W</td>
<td>SW</td>
<td>174-1009</td>
<td>WSR</td>
<td>SR</td>
</tr>
<tr>
<td>171-1037</td>
<td>SWR</td>
<td>S</td>
<td>182-1045</td>
<td>S</td>
<td>S</td>
<td>197-1078</td>
<td>W</td>
<td>S</td>
<td>186-1082</td>
<td>WR</td>
<td>S</td>
</tr>
<tr>
<td>196-1073</td>
<td>WR</td>
<td>SW</td>
<td>187-1011</td>
<td>S</td>
<td>SR</td>
<td>208-1069</td>
<td>SW</td>
<td>WS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>228-1044</td>
<td>WR</td>
<td>WS</td>
<td>195-1017</td>
<td>SW</td>
<td>W</td>
<td>210-1085</td>
<td>SW</td>
<td>WS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>229-1040</td>
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<td>SW</td>
<td>200-1060</td>
<td>O</td>
<td>S</td>
<td>222-1079</td>
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</tr>
<tr>
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<td>207-1072</td>
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</tr>
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<td>WRS</td>
<td>SWR</td>
<td>217-1076</td>
<td>S</td>
<td>S</td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>227-1020</td>
<td>WS</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.4.2 Economic changes within the ‘same household’ data

The economic changes will be measured again through the three main economic categories: work income, state support and remittances. The economical data of 2010 is adjusted for inflation, according to the inflation rate calculated in chapter 3.

Work income

The sources of income have changed for the same households of 1995 and 2010 but the same applies to relative incomes of these households. In the case of work income (see Figure 5.14), there are 8
households whose *income per household* has increased; two had no *work income* in 1995 but do in 2010. In the category *income per capita* there are also 7 households that have increased their *work income* in 2010. From these 7 there are 6 that have increases in *income per household* and *income per capita*. On the other hand, there are 19 households that have decreased in their *income per household* between 1995 and 2010. Of these 19 households 11 had no *work income* in 2010. And for *income per capita* there are 20 households that have decreased.

Figure 5.14 The number of households that shifted in main source of income between 1995 and 2010

<table>
<thead>
<tr>
<th>Work Income</th>
<th>Increase</th>
<th>Decrease</th>
<th>Same</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Household</td>
<td>8</td>
<td>19</td>
<td>5</td>
<td>32</td>
</tr>
<tr>
<td>Per Capita</td>
<td>7</td>
<td>20</td>
<td>5</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Support</th>
<th>Increase</th>
<th>Decrease</th>
<th>Same</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Household</td>
<td>15</td>
<td>13</td>
<td>4</td>
<td>32</td>
</tr>
<tr>
<td>Per Capita</td>
<td>25</td>
<td>5</td>
<td>2</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Remittances</th>
<th>Increase</th>
<th>Decrease</th>
<th>Same</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Household</td>
<td>2</td>
<td>14</td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>Per Capita</td>
<td>7</td>
<td>20</td>
<td>5</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>Increase</th>
<th>Decrease</th>
<th>Same</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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<td>11</td>
<td>21</td>
<td>-</td>
<td>32</td>
</tr>
<tr>
<td>Per Capita</td>
<td>5</td>
<td>27</td>
<td>-</td>
<td>32</td>
</tr>
</tbody>
</table>

**State support**

For *state support* (see Figure 5.14) the number of households that increased their *income per household* between 1995 and 2010 is 15. Of these 15 there are 11 that did not receive any *state support* in 1995. In the category *income per capita* this number is even larger. 25 households have increased in *state support*. There are more households that decreased in *income per household* than in *income per capita*. In the first category there are 13 households that decreased and only one of them had no *state support* left in 2010. In the second category, however, there are only 5 households that decreased in *state support*. In 7 cases there was a decrease in *income per household* but an increase in *income per capita*.

**Remittances**

For *remittances* (see Figure 5.14) there are 2 households that show an increase in *income per household*. Both cases started with no remittances in 1995. This number is much larger in *income per capita*. There are 7 households where *remittances* increased in this category.

The decrease, however, is also much greater in *income per household*. Whereas there are 14 cases of decrease in the category *income per household*, this number rises to 20 in *income per capita*. Both have 10 households, however, which have no income from *remittances* in 2010.
When all the incomes are aggregated to show a total income (see Figure 5.14) for 1995 and 2010, there are 11 households whose income per household has increased over time but fewer for the category income per capita: only 5 households. The number of households whose income per household has declined is 21 and for income per capita 27. As the total number of same households is 32, the results of the general economic changes are evidence of an overall impoverishment for the same households.

Figure 5.15 ‘Same household’ that were poor in 1995, reviewed in 2010

Figure 5.16 same households that were rich per capita in 1995, reviewed in 2010
**‘Same households’ compared with ‘all households’**

The distinction between a rich household and a poor household is based on four categories: \(R-Rc\), \(P-Rc\), \(R-Pc\) and \(P-Pc\). The deciding factor in these categories is the ‘per capita’ aspect. To compare the economic data from the *same households* to the economic data for all Paulshoek’s households, the median *income per capita* for Paulshoek in 1995 is used as a starting point (see Figure 5.15). The income data for the *same households* in 1995 and 2010 – which are adjusted for inflation – are compared with this median. Both Figure 5.15 and Figure 5.16 show the outcomes of these curves.

Figure 5.15 shows the outcomes for the poor households of 1995. Note that the curve for 2010 is showing great irregularities in *income per capita* for the initially poor households of 1995. There are 7 households that have gained income, 4 of which that crossed the median and are out of poverty. Then there are 9 households that have remained the same income, and 5 more households that decreased in income since 1995.

The results are more devastating with the ‘rich households’ curve in Figure 5.16, which shows that *income per capita* for rich households in 2010 has decreased compared to 1995. All 11 incomes are much lower than they used to be in 1995, and for two households it is even below the 1995 median income into poverty.

Figure 5.17 and 5.18 show the results in a matrix. Notice how Figure 5.17 shows the changes in a way that would indicate little overall change in the incomes of households. This figure, however, only show the change between ‘rich households’ and ‘poor households’, categorized according to a certain median standard. Figure 5.18, on the other hand, shows the absolute changes in income that have occurred between 1995 and 2010. The results show that half of all *same households* manifest a decline in income. Also, it shows that incomes become more equal, accumulating around the median income of 1995. This is in accordance with the western socio-economic models in which the gaps between rich and poor also decline.

Figure 5.17 The changes of income of households between ‘poor’ and ‘rich’

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor</td>
<td>Rich</td>
</tr>
<tr>
<td>2010</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Rich</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>11</td>
</tr>
</tbody>
</table>

Figure 5.18 The absolute changes in income between 1995 and 2010

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor</td>
<td>Rich</td>
</tr>
<tr>
<td>2010</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>=</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>+</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>11</td>
</tr>
</tbody>
</table>
5.4.3 Social changes within the ‘same household’ data

The social ‘same household’ data will be analysed in the same way, by focussing on the main aspects of the social data: gender and size, age and education.

Gender and size
The head of household (hereinafter called HH) did not necessarily remain the same person in every household. In 2010 only 20 of the original 32 HHs have remained. Twelve households have a new HH. The size of all same households has fluctuated. Not all have stayed the same as most households shrank or grew over time. There were 6 households – consisting of 22 people – that have remained the same size, 2 of which have even remained the complete same household. This is case no. 221-1069, a single household for over 15 years, and case no. 171-1037 a couple that lived with just the two of them for over 15 years. The other 4 households show shifts in household members. There are 6 households that have grown over time. They have grown from a total of 27 members in 1995 to 42 in 2010, showing a growth rate of 52 percent for these households. This rate is especially influenced by case no. 163-1059, whose household has grown from 7 members in 1995 to 12 members fifteen years later, almost twice as many.

The amount of households that has declined since 1995 is higher with a total number of 20. These households have shrunk from a total number of 135 members in 1995 to only 82 members in 2010. About 58 percent of the shrinkage results from this decline. The total shrinkage for the same households of Paulshoek is 34 percent.

Figure 5.19 The number of households with residents that shifted in age cohorts between 1995 and 2010

<table>
<thead>
<tr>
<th>AGE</th>
<th>Increase households</th>
<th>Decrease households</th>
<th>Same households</th>
<th>1995 No. of people</th>
<th>2010 No. of people</th>
<th>Total No. of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>5</td>
<td>22</td>
<td>5</td>
<td>61</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>15-55</td>
<td>16</td>
<td>11</td>
<td>3</td>
<td>106</td>
<td>84</td>
<td>22</td>
</tr>
<tr>
<td>55+</td>
<td>16</td>
<td>4</td>
<td>10</td>
<td>17</td>
<td>32</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>37</td>
<td>28</td>
<td>184</td>
<td>146</td>
<td>-38</td>
</tr>
</tbody>
</table>

Age
Between 1995 and 2010 important changes took place in the age groups of under 16 – defined as children – and over 55 year-old – defined as elder. The total number of children in the same households has declined from 61 in 1995 to 30 in 2010, a decrease of 31 (see Figure 5.19). From the 32 same households there are 5 households that have the same number of children in 2010 as they had in 1995. In 22 cases the number of children decreased and in just 5 cases the number increased. The average number of children per household has decreased from 1.9 to 0.9 children per ‘same household’. The percentage of children within the same household group decreased from 33 percent in 1995 to 21 percent in 2010. These group trends follow the same pattern as the trends seen in Paulshoek in general: the number of children is currently decreasing in the Paulshoek. On the other hand, the trend shows an increasing number of over 55 year-olds: elders.
The total number of *elders* within the *same household* group has increased by 15. In 10 households the number has stayed the same and in 16 households it has increased (see Figure 5.19). In only 4 households the number of *elderly* people decreased. The average of *elderly* people per household has increased from 0.5 to 1 per household. The percentage of *elderly* people in the *same household* group increased from 9 percent in 1995 to 22 percent in 2010. These group trends follow the same patterns as the trends seen in Paulshoek in general as well: the number of *elder* in Paulshoek is expanding.

Finally, there is the number of people between the ages of 16 and 55. In the *same households* the number of 16-55 year-olds shrank from 106 in 1995 to 84 in 2010; which is a decline of 22 people in 2010. Three households consist of the same number of 16 to 55 year-olds. In as many as 16 households the number increased and in 11 households only the number decreased. This means the average labour force has decreased from 3,3 people per household in 1995 to 2,6 people in 2010. Compared to the general trend in Paulshoek the difference is that the percentage of people between 16 and 55 is in both 1995 and 2010 around 50 percent, whereas in the *same households* this percentage lies at 60 percent. This shows that the *same households* have a higher labour force than Paulshoek in general. Higher labour resource should indicate that there is a better chance to gain income, but as chapter 5.4.2 shows this is not the case.

**Education**

Regarding the *educational level* of the inhabitants and of the *same household* group, the data is of little interest. In both 1995 and 2010 the average educational level is Standard level 3. This figure differs slightly from the data on Paulshoek in general where the average Standard level increased to level 4 in 2010. The difference between levels however is of no statistical importance. Therefore it is uninteresting to use the limited data available to try and draw strong conclusions. This applies to the general data on Paulshoek as well as for the *same household* group.

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**Figure 5.20 Spread of the life cycle of Paulshoeks households in 1995 and 2010**

![Life cycle of Paulshoek households](image)
Life cycle

The life cycle of a rural household covers its history from child to elder, with all the household’s stage in between. In theory the period with young children is a period of economic deficit, as children only cost money and time. The period where a household has no children, but only working household members is one of economic surplus. When household members retire, the theoretical time of deficit strikes again, with less income and higher costs for the pensioners. Figure 5.20 shows the changing life cycle of the same households between 1995 and 2010: in 1995 the curve was much steeper than in 2010. In 2010 there are less children, and more elder than in 1995. This changes the economic position of households within a life cycle as well.

Figure 5.21 Number of households that changed household composition between 1995 and 2010, and the alleged consequences of these changes for household income

The decrease in children creates a more likely economic surplus for households, as there is a higher labour force and fewer mouths to feed. The increase in older people, on the other hand, moderates the level of any surplus. The expected outcome according to the ‘life cycle theory’ would be that rural households with young children (A) have more financial difficulties than households with older children (B). Households without any children (C) are – especially in developing countries, where children are likely to live at home at an older age – again more likely to carry heavier loads. When a household remains in the same situation, nothing changes. The transformation from one situation to another, however, has consequences for the economic position of a household. A transformation from situation (A) to situation (B) should have positive financial consequences. The household changes to a position of economic surplus. Transforming from situation (B) to situation (C), on the other hand, is less advantageous, putting a household in an economical deficient position. In the case of Paulshoek there is a fourth situation. A transformation from situation (B) to situation (A) occurs when a family with older children changes to a family with young children again. The consequence of this situation is comparable to the consequences of transforming from (B) to (C): the household is put in a position of economic deficiency. Figure 5.21 shows the division of the transformations for the same households in Paulshoek.
In 16 cases there has been no change, the transformation from (A) to (B) and from (B) to (A) both hold 7 households, and there are 2 households that changed from (B) to (C).

Figure 5.22 shows how the presumptions of the 'life cycle theory' do not necessarily correspond with the data from the same households in Paulshoek. Where, in the case of a transformation from (A) to (B), the expected outcome is a surplus, the data from Paulshoek shows an almost equal division between households with a surplus (4 cases) and a deficit (3 cases). Even more conflicting with theory are the transformations from (B) to (C) and from (B) to (A). Whereas a deficit is expected, the same households in Paulshoek show twice as much households with a surplus (6 cases) than with a deficit (3 cases).

Reason for this discrepancy could be that the unfortunate household situations (A) and (C) receive income support in the form of State Old Age Pension, Disability Grant and Child Support Grant, which all account in great part for Paulshoek’s general income. If this were so, the data corresponds with earlier findings on the economic position of the same households in this chapter. When households depend on state support instead of work for their income, the situation changes to contrast theory: households that are historically more dependent in situations where work income is decisive for the survival of a household turn into more beneficially situated households when state support becomes main the source of income in the society. Although the wages from state support cannot be compared to work income, a lack of or idleness to work can make a society change to state support as foremost source of income, thereby resetting livelihood standards.

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**Figure 5.22 Changes of household compositions in theory and for the ‘same households’ in Paulshoek**

| Financial position 'same households' | | |
|-------|-------|-------|-------|
| Situation   | Expected | Surplus | Deficit | Total |
| (A) - (B)   | Surplus | 4 | 3 | 7 |
| (B) - (C)   | Deficit | 1 | 1 | 2 |
| (B) - (A)   | Deficit | 5 | 2 | 7 |

<table>
<thead>
<tr>
<th>Theory</th>
<th>Surplus</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) - (B)</td>
<td><em>Expected</em></td>
<td>X</td>
</tr>
<tr>
<td>(B) - (C)/(B) - (A)</td>
<td>X</td>
<td><em>Expected</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>'Same households'</th>
<th>Surplus</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) - (B)</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>(B) - (C)/(B) - (A)</td>
<td>6</td>
<td>3</td>
</tr>
</tbody>
</table>
6 The view of the people: general development initiatives since 1995

Chapter 6 will answer the fourth sub question: ‘What general development initiatives were taken to improve local circumstances in Paulshoek since 1995 and how do the people of Paulshoek respond to these initiatives?’ The interview data are derived from seven interviews and two focus group discussions. With the interview questions and topics of the group discussions in mind a general overview was created of the interviewees’ perception of the development changes in Paulshoek between 1995 and 2010. The data were recorded by taking extensive notes during the interviews. In the light of these notes this chapter examines the development changes in Paulshoek on five specific topics. The first topic is that of Services. This topic includes health care services, education, commercial services and other community services. The second topic is that of Infrastructure, with the built environment as its main focus. The third topic is Finances, which focuses on the development of financial assets, both in household incomes and in available communal monies. The fourth topic is Socio-economic conditions, referring to societal changes, like employment and health care governance and to political attitudes. The last level is Environment, which focuses on the implications of Paulshoek’s natural environment for its development. The development changes raised by the interviewees reflect both objective analysis and subjective value as discussed in the sub chapters.

6.1 Services

This sub chapter first analyses the objective changes in health care services, education, commercial services and other community services. After that it analyses how the interviewees value these development changes in Paulshoek between 1995 and 2010.

6.1.1 Objective change

One of the first things mentioned by the interviewees when they were asked about the development changes over the previous 15 years was the development of services for health care. Paulshoek is a very remote village and lacks local access to proper health care. In recent years, however, health care services have begun to reach Paulshoek. Sick people are no longer dependent on their fellow-villagers for medical support, but can talk to the newly stated ‘Gezondheidswerker’, the local health care worker who keeps in contact with the ambulance and health care services in the surrounding villages. She is also responsible for the distribution of AIDS medicines and other drugs. Once every month a medical service bus, equipped with all the necessary facilities and a nurse and doctor visit the village. People can call in with their health problems and medical questions. There is also an ambulance service that can reach the village within two-and-a-half hours for urgent cases.

Another change in services in the village has been the development of educational services. Access to education institutions has increased for children from kindergarten level up to high school, and for adult education as well. It is possible to learn computer skills thanks to the fully equipped computer room at the primary school. There is also free food distributed for all children at the school during breakfast and
lunch, which was not the case in 1995. In the early 2000’s educational trainings for adults concerning catering, accounting, gardening and field guiding were made available. The access to education is not the only thing that improved: the schools infrastructure, finances and governance have improved as well – see following sections.

New commercial services have also reached Paulshoek. The local grocery shops and the bar supply people with food and drinks within the village, whereas in 1995 they had to go to neighbouring villages like Garies and Kamieskroon. Transportation has always been hard to find in Paulshoek, so having shops in the village makes life easier and more comfortable for the villagers. Welfare services, like the Paulshoek Ontwikkelings Projek, supply food parcels weekly for people in need.

One of the least used facilities, the newly built community centre in the middle of town, provides an opportunity for the local society to come together and organise meetings and social activities. Since 2001 there has also been a tourism centre, built at the border of the village, especially initiated to attract eco-tourists to the region, but it has deteriorated over time since it has never been used.

### 6.1.2 Subjective value

When the interviewees gave their opinion on the changed services in Paulshoek, the first responses were positive. Closer examination of the answers given during the interviews and discussions, however, shows some complaints as well. The health care improvements are attributed to the provincial health department, which initiated most of the improvements made in the village, but the distance between the department and the village (both physically and mentally) is bemoaned. It seems crucial from the interviewee’s standpoint that more improvements should be made at the local level. One of the examples given is the fact that there is a considerable pressure on the local health care worker, which necessitates increased visits by the medical professionals.

People attribute the changes in the educational system also to the provincial department. Again the distance (both physical and mental distance) is an issue. Most interviewees find it necessary to increase educational opportunities, because job creation in infrastructure, and all the implications that came with it, made it more urgent to have a proper education. Although changes to national legislation for education have brought increased access to education, the facilities available to teachers and pupils are still minimal.

Another highly valued service is the commercial service. All interviewees are very content with the direct access to grocery shops in the village. Objections are raised against the bar, as some of the interviewees see alcoholism as one of the major problems in the village and attribute this to the arrival of the bar among other reasons. All interviewees hope to see more shops come in the future.

### 6.2 Infrastructure

The infrastructure of Paulshoek changed significantly between 1995 and 2010 and there is more access to infrastructural services. This section analyses these changes, and examines how these changes are valued by the interviewees.
6.2.1 Objective change

Local initiatives facilitated the building of about extra housing in Paulshoek. These houses were financed by government funds, after local request were made at the provincial department. The building started in 1996 and about 40 stone houses have been built since then. Funds for these buildings came from the government, which hired local people to do the work. With these houses came opportunities to construct dry well toilets and most housing now has a dry well toilet on the premises. Other facilities that came to Paulshoek are modest electricity services for stone houses, local water mains throughout the surrounding area (2002) and in some households even a telephone line. Electricity and telephone credits – these credits are in form of a code that is used to unlock the services for a household – can be bought at the municipality office and have replaced the wooden fires and candles that were needed before 1995. Water mains bring cleaned water treated with chlorine to the premises and some households even have a tap inside their house. Meanwhile the government started maintaining the gravel roads, scraping them twice a year and thus making the village more accessible.

6.2.2 Subjective value

The infrastructure changes are of great importance to the inhabitants’ conception of development. The physical changes in the environment are highly valued. Although the housing project has thus far benefited the richer villagers, it indirectly provided informal housing for poorer inhabitants who used the remaining building materials from the old houses. Nevertheless, the interviewees find that there is still more need for housing in the village. Also, roads should be better maintained to make the village more accessible. The electricity service is highly valued, but because of its price criticised at the same time. There are no complaints, however, about the water supply. The villagers have some requests for future developments as well. One request is for streetlights at night to create a safer environment; another request is for a mobile phone network that could connect the village to the outside world.

6.3 Finances

Changes in household finances were already extensively analysed in chapter 3. This is not the only financial dimension that has changed; communal finances also need to be taken into account. The communal finances are provided by the government and private investors, who are often connected to governmental organizations.

6.3.1 Objective changes

In the field of family finances there have been big changes, one of the most highly valued of which is the visibility of state income support. The government has increased the access to state support for coloured people since the end of apartheid. This means that more households and individuals in Paulshoek have access to income support. The government has also dropped school fees, reduced the cost for water and electricity for poor people and decreased the threshold for taxes.
There is also state support in the form of subsidies for local projects, which additionally created employment. One of the projects created from subsidies provided by the government is the tourist centre. This centre has cost the government over R1,000,000 (€100,000), and is now in the hands of the municipality. Other subsidies come from the research projects regarding the Karoo environment. In addition independent financing agencies have been investing money for environmental and socio-economic reasons. One of these funds, for example, is the Suid Afrikaanse San Raad, an organization that focuses on the ecological heritage of the San people. This Raad provided R62,500 for heritage initiatives regarding local development. Other initiatives strive to create jobs for the local community or provide the community with goods. Most of these private initiatives are linked to local environmental research projects – see chapter 6.5.

6.3.2 Subjective value

All interviewees attribute the state income support to improvement of social legislation regarding the welfare of coloured people. The state support is almost undisputed and highly valued. The only comment is that the ‘armsorg’, the support for people with no access to any state grant, is almost non-existent. These people therefore need to rely on village initiatives and private funds for support. The subsidies the village received in the past, like the money for the tourist centre, were directly invested in the improvement of infrastructure. The interviewees value the construction of the new school buildings, the community centre and the tourist centre, but criticise the maintenance of the new infrastructures. The tourist centre is seen as a white elephant that was never put to its rightful use and is now deteriorating. New subsidies like the San Raad Fund are used for private projects like the Paulshoek Ontwikkelings Projek. This project is both applauded and criticised. As it is run by one single person, there is no community involvement and although the money is spent on local development, critics find that a fund meant for local people should encourage their participation.

6.4 Socio-economic conditions

Socio-economic developments in Paulshoek have become a source of friction. The supposedly increased access to assets and ideas since the end of apartheid have made the formerly unified village more divided and emergence of a Western model for society brings with it some disadvantages as well. Not all villagers value these changes equally high. Also, local political struggles influence the socio-economic state of Paulshoek by dividing people and power.

6.4.1 Objective change

The first socio-economic change in Paulshoek after 1995 was within local politics. While most villagers voted for the ANC when apartheid ended, more parties have entered the political field in Paulshoek over the years. In 2010 there were as many as four political parties present: the African National Congress (ANC), the Congress of the People (Cope), the Democratic Alliance (DA) and the Independent Democrats (ID). In terms of employment Paulshoek has seen some large infrastructure projects, which created a lot of temporary jobs for its people. Individuals skilled in building trades, labourers and supervisory staff
were all required. In health care there has been an increase in ‘Western’ nutritional diseases, like high blood pressure and diabetes. Also the level of HIV/AIDS infection has increased enormously over the years. On the other hand long-standing diseases like TB decreased over time. The diseases of today are more invisible and harder to diagnose, as they are often afflicted by social causes.

### 6.4.2 Subjective value

One of the biggest issues that causes for societal friction in Paulshoek is politics. The interviewees all attributed this friction to a changing political environment, which affects the socio-economic state of many villagers. They anticipate further antagonisms as a result of disputes between the ruling ANC and the newer parties. Then prevalence of suspected corruption and high unemployment rates were also cited as serious issues that contribute to feelings of uncertainty and dependency. These problems are attributed to mismanagement of government institutions; this applies in particular to the failing attempt to provide jobs.

The interviewees are very reserved about the some of the health care issues in the village, especially about people infected with HIV/AIDS. Other nutritional diseases are treated with a light indifference. The only comment is on health care governance in general, which is viewed upon not sufficient enough.

### 6.5 Environment

The natural environment of Paulshoek is harsh and difficult to endure. It is also, however, an ecologically unique environment for researchers. Therefore the development of Paulshoek is influenced by the presence of researchers, who have been coming there since 1996. The changes that the presence of these ‘strangers’ has brought to the village are discussed in the last section of this chapter.

#### 6.5.1 Objective change

The environment is of great importance to the development of Paulshoek. It has always been important for stock farming, the reason for Paulshoek’s existence in the first place. Stock farming is still important, and Paulshoek gets some form of government aid during droughts and in maintaining their local water supplies. There are also more community lands available, former private holdings bought up by the government.

Another reason that environment is important these days is that scientific ecological organizations are interested in the specific environmental characteristics of the region. The Karoo shelters some very rare and valuable plants, making it an interesting place for research. Two of these organisations are the Plant Conservation Unit of the University of Cape Town and the German Biodiversity Monitoring Transect Analysis project (BIOTA). Several inhabitants of Paulshoek are permanently employed by these organizations, which sustain their source of income. The presence of these organizations has put Paulshoek on the (international) map as well, seen that the village has become of interest to outsiders. Researchers frequently visit the village to work with the local people and teach them about their surroundings.
6.5.2 Subjective value

The presence of outsiders in Paulshoek is highly valued by all interviewees. Much of the physical development is attributed to the projects of the University of Cape Town and Biota and Timm Hoffman is mentioned as one of the few people who has done his utmost for the people of Paulshoek. Awareness of the natural environment and the significance of nature conservation have arisen thanks to the many projects of these organizations. According to the interviewees this presence contributes to an improvement in local development and to the prosperity of Paulshoek’s people.
7 The final conclusions: What development changes did the village of Paulshoek experience and how did the people value these changes?

In the previous chapters the data for Paulshoek in 1995 and 2010 were analysed. Chapter 3 gave an introduction to national legislation in South Africa since the end of apartheid. Chapter 4 introduced the data from the questionnaires concerning the statistical social and economic changes in Paulshoek between 1995 and 2010. Chapter 5 gives an in-depth analysis of these data, focussing on work income, state support and remittances. Chapter 6 finishes with analysing the interview data, giving insight in some of the general changes in Paulshoek between 1995 and 2010 according to the villagers of Paulshoek. It also shows the perspectives of these villagers on the changes. Chapter 7 will bring all the conclusions from these analyses together to form the livelihood outcomes in Paulshoek's development, which will answer the main research question: ‘What development changes did the village of Paulshoek experience between 1995 and 2010 and how do the local people value these changes in a post-apartheid South Africa?’ This chapter will first start with recounting some of the most important livelihood outcomes in Paulshoek according to the previous chapters, followed by some general conclusions that can be drawn from these outcomes and finishing with a final statement.

7.1 Important changes recited

The first and most important livelihood outcome is that in general the total annual income for Paulshoek’s people, inflation rates included, has decreased since 1995. The income from 1995 – R1,099,827 – fell to R1,018,332 in 2010, a strong decrease. The conclusion that income decreased applies to income per household and income per capita as well. At the same time income from state support has increased to a 50 percent share of the households’ general income, while work income decreased and income from remittances are now almost non-existent. This change in source of income is one of the reasons that general income declined. The income received from state support is relatively low compared to work income, so as the share of state support in Paulshoeks’ households grows and work income for these households declines, it is evident the total annual income reduces. With the decrease in work income, it is explicable that employment rates decreased as well: in 2010 about 85 percent of Paulshoek’s people are unemployed. Therefore, unemployment is another big reason why incomes have declined.

A second important livelihood outcome is the alteration in the composition of Paulshoeks’ population. Household sizes have decreased, creating smaller households, resulting in less potential household members to provide income per household. This outcome can be linked to the earlier conclusion that income per household decreased (seemingly contradicting the claim that both income per household and income per capita have declined). That means the decreasing household sizes do no per se explain the decrease in income. Beside changes in the household composition there is also a change in the local age pyramid. The pyramid altered from a somewhat linear form – associated with developing countries
– to a tower-shaped form – associated with a western model. This indicates improvements in health care and general hygiene in Paulshoek. Also in accordance with a westernising society is the ageing society: fewer children are born in 2010 than in 1995 – a decrease of approximately 30 percent – and there is an increase in people aged over 55 of approximately 20 percent.

A third outcome in the development of Paulshoek should be in education. However, the fact is that educational levels have not significantly changed between 1995 and 2010, in spite of many government regulations meant to increase access to education. Furthermore, it becomes evident from the outcomes of the social data of chapter 5 that having an educated head of household does not change the development prospects of that household. Although this education is not well researched in this thesis, one explanation for the lack of improvement in this development aspect is the isolated position of Paulshoek in respect to the locations of potential secondary education institutes. Even though the government has the intention to make education accessible for everybody, the remote location of many villages in South Africa make accessing educational institutes physically and financially challenging.

### 7.2 The general conclusions

The first general conclusion drawn from the previously mentioned changes and from the ‘life cycle’ analysis in chapter 5 is that Paulshoek’s households do not respond to development initiatives in the theoretically anticipated way they are supposed to. As chapter 5 mentioned, the ‘life cycle theory’ expects rural households in an economically challenging position – figure 5.14 defines these households as households without children and households with children under the age of 15 – to gain lower income than economically more fortunate households – those with children up until the age of 25. The fact that these rules seem not to apply on Paulshoek means there are intervening processes at work. With the previous changes in mind these processes can be led back to the change from a work income society to a state support based society. With the new dependence on state support – that results in impoverishment of the society – the households of Paulshoek adopted a different ‘life cycle’, in which people with optional rights to government aid have the highest income for and belong therefore to the more fortunate households of Paulshoek. This maintains the trend that being state dependent is a good thing: it is the best way to gain income for a household.

A second general conclusion is that there has been a major increase in access to health care, education and infrastructure and there are more communal lands available thanks to governmental reforms. Since the end of apartheid the state has been more than willing to provide Paulshoek and its surrounding villages with physical assets to improve their livelihoods. The villagers of Paulshoek there have showed more initiatives in asking for improvements in their village surroundings. As mentioned earlier the changes in the composition of population can be explained by the improved health care system, as well as by the modernized infrastructural changes to housing and sanitary fittings. The increased communication between Paulshoek and the local and regional government also increased its access to the outer world, bringing westernised standards back to the village. Nevertheless this brings some negative changes as well.

A third general conclusion is related to the value that Paulshoek’s people add to the livelihood changes they have gone through between 1995 and 2010. The most highly valued is surprisingly the nominal
increase in state support. The feeling that the government takes care of its people is deeply appreciated by every person interviewed during the process (both on and off the record). This is an interesting outcome seen that people might have increased in income nominally, supposedly giving them more freedom and opportunity, while in fact the relative decrease in income combined with the increased state dependence has made people more vulnerable and subject to governmental decision-making. On the other hand the efforts of the government to create a modern society by improving access to health care, education and infrastructure is much less valued. Although the changes are recognized and mentioned by all interviewees, there are many complaints as well. The paces at which the changes in health care, education and infrastructure are carried through are thought of as not sufficient enough and as taking too long. A great variety of improvements have been implemented over the years, with some casual deterioration that can be attributed to local mismanagement, and not to government failure. This discrepancy between actual changes and the value locals add to the changes is very conspicuous: while (financial) assets relatively decreased and general access increased, locals value the (decreased) financial assets higher than the increased access they have acquired. This conclusion reveals a serious problem in communication in the process of development from both government and local leaders.

7.3 A final statement

The described livelihood outcomes and the final conclusions give a good overview of the development changes in Paulshoek since 1995. At the surface some of these changes seem constructive others are worrisome. It is evident however that all described changes are unsustainable. The fact that Paulshoek’s society relies mainly on state support shows how dependent people are on the government. Many people that have a job are employed by the government, and work for the municipality. Other workers need to leave the village to find temporary or seasonal employment elsewhere. The government does create some jobs by hiring local workers for infrastructural projects, but these are temporary as well.

In the village there is hardly any possibility to create jobs. As Paulshoek’s people are historically dependent on livestock, there is not much else that could create job opportunities. The focus is currently on creating tourism. The area is known for the attractive flora and fauna, with its desert flowers as its highlight. There are chances for environmental tourism, but Paulshoek is, compared to neighbouring settlements, far from ready to host any kind of tourism at the moment, if only because its access roads are almost impassable. Thereby it is hard to believe that environmental tourism can be a sustainable source of income for this village in the future.

Local authorities now focus on their youth in creating more sustainability. The local school is trying to increase the computer skills of its youth, and the high amounts of drug use and violence amongst teenagers is high on the local agenda. There are no apparent improvements visible, on the contrary, violence seem to have worsened between 1995 and 2010. Other political issues are widely discussed within Paulshoek as well: the village knows some very active local politicians. This creates another problem, which is in line with some finding in chapter 3. The various political parties have created some great tensions in the relations between villagers, which is seen by the people as one of the reason for some of the constructional impasse in which the village has been since 1995. Almost all interviewees
complained about the deteriorating solidarity in the village, which would create an unsteady front towards the regional government, worsening Paulshoek position as a village in the region.

To finish this chapter, the general conclusion from the case study is that Paulshoek’s development has seen its pros and cons between 1995 and 2010. Access has increased enormously, but the progress is found to be slow by the villagers. This can be attributed to the fact that local people are divided amongst themselves. If local politics were more strongly united, it would be easier to make a tough stand against a willing government to increase Paulshoek’s health care, infrastructure, education and other services. On the other hand assets, especially financially, have decreased worryingly. This is very much overlooked by local people and deserves much more attention than it is given. Employment and relief work should be very high on the local and regional agenda to turn the tide and give Paulshoek any chance to sustain in the future.
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