

UNIVERSITY OF KWAZULU- NATAL

**PERSPECTIVES ON EMERGING WEALTH DISTRIBUTION IN SOUTH
AFRICA'S PREVIOUSLY DISADVANTAGED HOUSEHOLDS: A SYSTEMS
THINKING APPROACH**

By

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DECLARATION

I declare that this dissertation is my own original work. All citations, references and borrowed ideas have been duly acknowledged. It is being submitted for the degree of Doctor of Philosophy in the Graduate School of Business and Leadership, University of KwaZulu-Natal, Durban, South Africa. This thesis has not been submitted previously for examination in any other institution.

Student name: **Jason M. Musyoka**

Signature

A handwritten signature in black ink, appearing to read 'Jason M. Musyoka', written over a horizontal line.

ABSTRACT

South Africa's democratization processes and outcomes reveal some profound cracks and transformations of social, political and economic structures which were constructed upon the apartheid paradigm. The first post-apartheid development policy, the Reconstruction and Development Programme¹ (the RDP) was essentially interested in providing basic services to the previously marginalized, while its successor, the Growth, Employment and Redistribution Strategy² (GEAR) focused on economic growth as a point of departure, with less regard for how this growth would re-shape social structures.

None of these initial post-apartheid development policies foresaw the kinds of socio-economic shifts the country might take in the foreseeable future. They failed to forecast the possible emergence of a powerful state-manufactured middle class twenty years into democracy and they failed to predict the heights and depths of a new black South African middle class, and the task of this middle class in shaping the national moment of socio-economic change. In the 1980s and early 1990s, there were traces of efforts to understand South Africa's black middle class, even though these efforts were operationalized from political lenses in the main, and therefore envisaged the incremental breakdown of apartheid in part as a function of the emergence of a new middle class. In other words, during these two decades (1980s and 1990s) the black middle class was viewed almost exclusively as a political tool rather than a force for socio-economic transformation.

Two decades into democracy, debates on South Africa's black middle class have significantly changed from political predictors to agents of economic change, and the social meanings produced by this change. These debates are however guided more by journalistic approaches

¹ The Reconstruction and Development Programme (RDP) was South Africa's first post-apartheid development policy. It was formulated by labor (Congress for South African Trade Unions, COSATU) and adopted by the African National Congress as an election manifesto in 1994 (Marais, 2001). Effectively, the context in which the RDP was formulated shaped the labor bias nature of the policy (Southall and Wood, 1999).

² The conservative macro-economic policy, Growth, Employment and Redistribution (GEAR) was formulated in 1996, and guided the country's economic forecasting and performance for a decade. As noted by Visser (2004:6), "the most important difference between the RDP and GEAR was that, while the former expected the state to conduct a people-orientated developmental policy, the latter saw South Africa's economic "salvation" in a high economic growth rate that would result from a sharp increase in private capital accumulation in an unbridled capitalistic system".

and less by scholarly discourse. Thus, scholarly literature has been slow in narrating the character, shape and socio-economic change and potential of South Africa's emerging middle class.

This thesis, then, took on the challenging task of navigating and narrating the previously poorly studied sociography of the new black middle class. The objective was to decipher emerging patterns of wealth distribution among South Africa's new black middle classes within an intergenerational context. Through interviewing nineteen new middle class black South Africans based in Newcastle, KwaZulu Natal, and using a qualitative methodology, the argument for four key perspectives on the South African black middle class is made in the thesis.

First, while the new black middle class reveals some common features such as shrinking household sizes, selective cultural traits and thick intergenerational wealth redistributive patterns, significant variations relating to aspirations and attitude to wealth do exist, and therefore a pluralisation of the term middle class is recommended as a more representative term. Second, the research found that the new middle class almost always yields to social, economic and biological pressure³ to redistribute wealth, effectively delaying savings and investments. Third, the strong redistribution pressures force the new black middle class into what the study has conceptualised as 'small p' poverty. The study has then contended that under given conditions, small p poverty can potentially graduate into 'big P' poverty. Fourth, and linked to the above, the research concluded that while the global middle class is overwhelmingly considered as a solution to underdevelopment, caution should be exercised in the South African case. This optimism should be delayed to the next generation of black middle class, because the current is too deeply intertwined in backward and forward intergenerational wealth redistribution webs to yield immediate results. A future black middle class generation is likely to operate under less pressure, and therefore will be comparatively free to save and invest, facilitating the possibilities for greater intergenerational wealth distribution as well as economic independence from former generations.

³ The term Social pressure is used here to mean burden or obligation exerted by friends and peers of a new black middle class individual on the individual to redistribute wealth. Economic pressure refers to the felt needs (rather than wants) of both non relatives and relatives of a new black middle class individual; while biological pressure is used to mean demand on a new black middle class individual's wealth, on the basis of biological relationships. The relational factor in many black south African households plays a significant role in shaping expectations and behaviors, such that failing to provide for one's relatives might result to the individual being considered as an outcast. Unlike in western societies, being an outcast in a Black South African context is a major socio-psychological flaw.

ACKNOWLEDGEMENTS

History is not a continuum of events but a sum of punctuated episodes which result not necessarily from monumental but dynamic experiences. These experiences might be gigantic at the time of engaging them, but then after so long, in retrospect, they seem small and inconsequential. But that is only because in our human imperfections we compare fruits with roots; long journeys with the very first steps which made the journeys possible.

In January 2001, I came to South Africa, with a suitcase and a one way ticket; fourteen years on, I have completed my Ph.D., so far my highest achievement in my academic pursuit. The splendour of this achievement goes beyond breaking of personal records; it will be the first in the village where I was born, and the first in my family tree, going back to six generations. This makes the achievement as inspirational as it is a responsibility. It gives me a moral duty to guide and inspire those who come behind me, and to remind them of simple yet timeless truths which collectively conclude that life dreams are not conditional to circumstances which surround us. The door is now open. Yet, this achievement is not the end, infact; it will soon be history because it must give way to new life episodes which will shape my life's future narrative. Before the new episodes begin to eclipse the current, I am grateful for the multiple interactive events upon which this achievement is founded. I would like to note a few.

In January 1986 I walked into my Nursery class in some deep rural village in Makueni County, Kenya, with nothing more than half an exercise book, a lunch box and curiosity for knowledge. That was the essential beginning of my academic journey. In my third grade, I recall sitting for an examination, and, being the first to complete my exam paper, the exam adjudicator gave me a heavy corporal punishment for obtaining 100% in the paper. His misguided argument being that I had cheated on the exam. In July 1997, I was awarded the annual prize of the most self-disciplined student out of over 1200 high school students. In college, I was to become the best academic student for three successive years, and on the third year I was tasked with being the college's head student. I failed my very first Masters Coursework module, and, having tasted success, I was not going to back down from my academic ambitions. These are the summaries of the pivots which precede my Ph.D.

In this winding narrative, my identities and insecurities, ambitions and fears, hopes and despairs, successes and failures; all these have produced a successful collective, in the form

of a doctoral graduate. None of these have been acquired in isolation, they have been embedded in me by so many people, a few of which I would like to express my gratitude to. But before I do, I am eternally grateful to my Lord and Saviour Jesus Christ, who has given me so much favour not just in my journey through this thesis, but also in my entire life journey. I am grateful that He gave His life that I might not only live victoriously in this life, but also in eternal glory with Him, one day. To Him be Glory and Honor, forever and ever.

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My respondents; middle class black South Africans who volunteered their personal narratives for the purposes of this thesis.

My long term friends such as Paul, Graham, Justus, and many others, who were always there when I needed to talk about my research.

Adams Marko (II); who saw my latent potential at a young age, and urged me to pursue academia, notwithstanding the fact that at the time I was ready to settle for lacklustre ambition.

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in our minds. Dad, from whom I have continued to draw inspiration for my hopes and life ambitions. He kept asking me when the Ph.D. process would be complete, now it is. Both my Mom and Dad are the giants upon whose shoulders I look so elegant. I hope my achievement makes them proud.

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CHAPTER ONE: INTRODUCTION

1.1. PROBLEM STATEMENT

South Africa's democratization processes and outcomes reveal some profound cracks and transformations of social, political and economic structures which constructed and thrived upon the apartheid paradigm. Under the apartheid regime, non-white populations were trapped in systemic economic disadvantage with significantly limited access to wealth accumulation opportunities. In education and health for example, Mda (2004) observes that apartheid's separate development ideology determined that black Africans, Indians, Coloureds and whites be provided with different quality of school or health buildings, and differentiated expenditure on education and health. Based on Seekings (2003) conclusion that education has a direct bearing to incomes, this ideology trapped black Africans, Indians and coloureds into low incomes. Given that black Africans received the relatively worse quality of education and health, it follows that the poverty traps among the black African population group were became deep-rooted overtime, than the other population groups.

In the attempt to break these sorts of poverty traps, the Reconstruction and Development Programme (RDP), the country's first post-apartheid development policy expected far reaching socio-economic changes, except that these change expectations were fundamentally linear, they were fairly naïve and, they undercounted the magnitude of forces at work in socio-economic transformations such as democratizing South Africa.

The RDP was essentially interested in providing basic services to the previously marginalized, while its successor (the Growth, Employment and Redistribution (GEAR) focused on economic growth as a point of departure, with less regard on how this growth would re-shape social structures. None of these policies foresaw the kinds of socio-economic shifts the country would have taken two decades into democracy. They failed to predict the emergence of a powerful state-manufactured middle class twenty years into democracy, just as they missed an opportunity to predict the dimensions of a new Black South African middle class as part of this emergence, and the task of this new black middle class in shaping the national moment of socio-economic change. In the 1980s and early 1990s, there were meagre traces of efforts to understand South Africa's black middle class, even though these

efforts were operationalized from political lenses in the main, and therefore envisaged the incremental breakdown of apartheid in part as a function of an emerging middle class (See, for example, Simkins and Hindson, 1979; Borner, 1982; Nolutshungu, 1982; Odendaal, 1984; Wolpe, 1972 as well as Nzimande, 1990). These authors viewed the black middle class almost exclusively as a political tool rather than a force for socio-economic transformation.

Two decades into democracy, debates on South Africa's black middle class have significantly changed from political predictors to agents of economic change, and the social meanings produced by this change. These debates are however guided more by journalistic approaches (See, for example, Maswanganyi, 2014; Herd, 2014; Wittsock, 2013 among others) and less by a scholarly discourse⁴. Thus, scholarly literature has been slow in narrating the character, shape and socio-economic potential of South Africa's emerging middle class.

The middle class discourse operates within broader democratization debates (Visagie, 2011; Southall, 2004; Southall, 2014), which reflect profoundly diverse forces which constructed the apartheid system, and equally profound alternatives which deconstructed (and continue to deconstruct the effects) the same system. Like many democracies, modern South Africa constructs upon powerful milieu of tensions, all of which compete in shaping the country's political, social and economic space (Hart, 2009). South Africa's development tensions and discords reveal the continuum of Antonio Gramsci's relations of social forces. Gramsci contended that a society should be understood in terms of relations of forces and not absolutivity of one factor over another (Hall, 1986). By challenging the reductionist and deterministic analyses which orthodox Marxism settled for, Gramsci presented a more sophisticated analysis which considered societal character as a relationship of what he referred to as the structure (the state) and the superstructure (civil society and other forces) (Thomas, 2009).

Gramsci's structure and the superstructure notions find a stable base in Emile Durkheim's functionalism philosophy, which seeks to elucidate on how the needs for societal survival are met (Durkheim, 1952). Durkheim held the view that for a society to function in a relatively stable way, all the 'parts' of the society need to support each other. Thus, for example, a socially stable household contributes to proper functioning of educational institutions (given limited social instabilities), which in turn contributes to a competent workforce. On its part, a

⁴ The Journalistic as well as scholarly approaches are discussed in a later chapter

competent workforce plays a central role to a thriving economy, which relates closely to an effective nation state. If one of the parts of the society is poorly functional, the entire societal system inevitably becomes unstable.

The functionalism approach concludes that South Africa's apartheid system should not be viewed as a purely political space; neither should its causes be considered from reductionist lenses. But also, neither should the post-apartheid paradigm. If Durkheim is right, and if his arguments are complemented with Gramsci's relation of forces, then, post-apartheid economic realities do not function in solitude; they function within a complex space, negotiating and bargaining with other socio-economic actors. These sorts of interactions are rapidly validating and invalidating expectations and effectively producing fragmented and integrated society simultaneously. Fragmented in the sense that different races are now more scattered in various socio-economic quintiles than they were under the apartheid regime; and integrated in that South Africa is progressively dissolving racial divisions in spatial, economic and political spaces. These simultaneous movements are bifurcated, slow in some areas and fast in others depending on the actors and factors at work. Adding to these sorts of webs, review of literature on economic development in South Africa suggests two major blind spots as noted below.

First, households are not often integrated into mainstream economic development discourses, they rather appear as backyard actors as far as the efforts to enhance economic growth and development in the country is concerned. South Africa has tended to emphasize skills development through education, as the bridge between poverty and wealth, between underdevelopment and development (Akoojee, Gewer and McGrath; 2005). Yet authors such as Kraak (2003a) posit that South Africa's labor market segmentation remains, even after significant skills development initiatives aimed at the black African population. This paradox fits Durkheim's functionalism argument, considering that educational institutions are often considered as 'the most important' social actors while households play a 'natural role'. The extent in which social and economic stability exists in a household, and the nature in which this stability is shared and transmitted within a household setting, yet within the broader set of social institutions, is mainly absent in South Africa's economic development literature.

The second blind spot on economic development scholarly work in South Africa is discernible in limited studies on the character of black African households in South Africa.

Two factors influence this reality. On the one hand, an increasingly evident mission to de-racialize the South African society has tended to overshadow otherwise important questions which are almost impossible to dis-embed from race in South Africa. This de-racialization propensity manifests itself in writings such as Seekings' (2003) argument that class based rather than race based analyses might more accurately describe the South African society. On the other hand, the term 'black' in South Africa's policy, bundles black Africans, Asians/Indians and Coloured population groups. This tendency is based on assumptions that these population groups are similar in that they were previously disadvantaged. While this approach is useful within given limits, it fails to deconstruct different household traditions, cultures and relations which inevitably thrive along racial conclaves, and how these differences determine poverty or wealth transmission. It also treats lightly the fact that population groups were discriminated differently under the apartheid regime, whites being on top of the ladder, Indians and Coloureds in the middle and black Africans on the bottom. Decades of this burlesque inevitably re-created the social and economic spaces, and deeply entrenched economic and social behaviors of different population groups.

With the above in view, the character of household wealth or poverty transmission is caught in mix of race based cultures and traditions on one hand and, on the other, ever emerging social interactions between social institutions. These two factors reveal a powerful continuum, so much so that the current generation's wealth or poverty is strongly linked with the next.

To be sure, there are numerous quantitative studies on households with varying objectives such as gender identity and incomes (Bertrand, Kamenica and Pan, 2013); income and expenditure of households (Statistics South Africa, 2012); internet use in households (Seybert, 2012); financial vulnerability in households (Lusardi, Schneider and Tufano, 2011) child headed households (Phillips, 2011); and household transgenerational poverty (Van Ham, Hedman, Manley, Coulter and Osth (2012) among others. These studies have yielded policy frameworks, which have rightly been considered as empirically-based problem solving options.

Effectively, in spite of a range of these quantitative research based policies since 1994, South Africa's inequality gap has widened from 0.57 in 1992 to 0.70 in 2008, economic growth has outpaced employment growth, and high Gross Domestic Product (GDP) growth has not

necessarily reduced poverty (Du Toit and Van Tonder, 2009). Certainly employment growth has taken place, as Aardt (2009) admits, except that this growth “has not been distributed throughout the occupational spectrum” (2009: 132). These paradoxes, though, include an expansion of black African middle class to roughly 3 million in 2008 (Du Toit and Van Tonder, 2009); an outcome which is the basis of the research problem of this study. What are the economic behaviours of this new black African middleclass? What kinds of household based interactions thrive in their wealth distribution practices? To what extent do these intra-household interactions reveal the character of intergenerational wealth transfer? To what extent does South Africa’s economic future lie in this new black middle class? The thesis will seek to answer these questions. Important as they have been, and continue to be, while myriads of quantitative studies have not bothered themselves with the answers to the above questions, two decades after independence, a study of this nature is now overdue.

By virtue of its research questions, this study is phenomenological in its approach. Thus it will not necessarily look for solutions to the problems on which the research is focussed; it will seek to present a narrative on wealth redistribution rather than present recommendations on how to resolve the wealth distribution problematique. Within this framework, the study will utilise a Soft Systems Thinking framework to demystify the otherwise highly complex human problem issues. The thesis considers Systems Thinking as critical in “...grasping how ...tensions and contradictions are being produced in practice –and how they hold open the possibility for something different to emerge” in South Africa (Hart, 2010:18). The expectation of ‘something different’ as Hart suggests, will depend on the determination to examine the forces (or systems) at work, their interactions, consistencies and inconsistencies. One of the ‘possibilities for something different’ in South Africa lies in the question of whether the emerging black African middle class will economically recycle, upgrade, or downgrade itself through future generations.

This thesis, then, takes on the challenging task of navigating and narrating the previously poorly explored sociography –especially from scholarly literature view point-of the emerging black middle class⁵. The main purpose of the study is thus to decipher emerging patterns of

⁵ While this thesis recognises the existence of broad usage of the term ‘black’ in South Africa’s policy discourses, and while it holds that broadly Black people (inclusive of Indian and Coloured population groups) were discriminated under the apartheid regime, Black Africans faced the most brutal vagaries of the regime. Also, a phenomenological study such as this acknowledges that cultural and social differences between population groups almost inevitably shape different wealth distribution behavioural outcomes. Thus, for this

wealth distribution among black South African new black middle class within an intergenerational context. New wealth (as opposed to old wealth) is a central notion of this inquiry.

1.2. OBJECTIVES OF THE PROJECT.

Given this central purpose, the focus of the study has been defined by the following research objectives:

1. To examine how new wealth is being distributed in previously disadvantaged households. Recognise
2. To utilise systems thinking as an innovative methodology in understanding household wealth dynamism,
3. To reveal the new dynamics created by new wealth in previously disadvantaged households.
4. To understand how this dynamism relates to intergenerational poverty traps.

1.3. RESEARCH QUESTIONS.

The abovementioned research objectives are driven by a number of key questions:

- a) How is new wealth being distributed in black African households in South Africa?
- b) What is the extent in which Systems Thinking is able to present new understanding of black African household wealth dynamics?
- c) What are the changing black household dynamics generated by new wealth?
- d) How are these dynamics treating intergenerational poverty?
- e) Is the new black African household wealth providing a sustainable solution to poverty in South Africa?

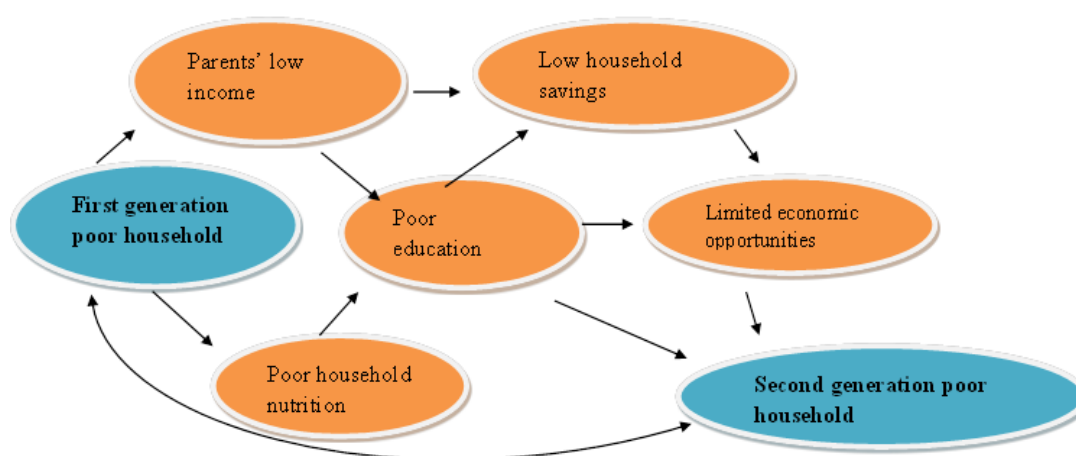
study, the focus is on Black Africans. This focus is based on race based cultural and social behaviors, as well as apartheid's narrow based treatment of population groups.

1.4. INTRODUCTION OF MAIN CONCEPTS

This study will attend to its central aim mainly through recurrent use of the following concepts.

1.4.1. Intergenerational Poverty

Literature on poverty suggests that intergenerational poverty and chronic poverty could well mean the same (see for example Hulme and Shepherd, 2003). The reasoning behind this interchangeable use is that chronic poverty is multi-dimensional, and extends beyond income and consumption deprivation to tangible and intangible assets as well as nutritional status, deprivations which almost inevitably cross over to future generations (Ibid). Ibrahim (2011) further notes transmission of what she refers to as ‘aspirations failure’ from one generation to the next. On the reverse, households can transmit ‘aspirations successes’ to future generations. In this regard, households with high levels of wellbeing are more likely to facilitate better opportunities for their future generations than those with low levels of wellbeing. Jenkins and Siedler (2007:2) for example posit that “...better-off parents can spend more on their children, whether on better child care, food, housing or more books, supporting them in further and higher education, and so on”. These authors however admit that it is difficult to fully understand all the factors which determine the extent of second generation household poverty. In other words, intergenerational poverty is not a ‘given’, and indeed it is not, except that the interaction of some crucial factors increases the possibilities of intergenerational poverty transmission. This is illustrated in Figure 1 below.



Source: Author's own.

Figure 1: Intergenerational Poverty Transmission Matrix

Defining some critical factors upon which intergenerational poverty tends to thrive, the United Nation's 1995 World Summit on Social Development defined poverty as possessing

“...various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterised by lack of participation in decision-making and in civil, social and cultural life ...” (United Nations, 1995:41)

The above are factors which trap generations in poverty and, intergenerational poverty can be understood as the transmission of the noted manifestations to future generations. Statistically, the chances of one generation transmitting poverty to future generations are high, because of reinforcing and feedback factors which constrain upward economic mobility. This study will therefore use the intergenerational poverty terminology to mean extended poverty which thrives through one generation to the next.

1.4.2. Unemployment

Literature suggests two definitions of unemployment. The most used concept, commonly termed as the narrow definition captures only those actively looking for employment while the expanded definition considers a mix of those actively looking for employment as well as those who are discouraged to the extent that they are no longer looking for employment. This project will interchange both these definitions, except that it will clarify which of the two is in discussion in any given argument.

1.4.3. Black middle class

The term ‘black middle class’ is loosely used in South Africa. While this study grapples with the notion, it triangulates (a) Southall's definition (2004a:2), which considers the middle class as class as “...characterized by its drawing its primary income (directly or indirectly) from non-manual employment, as ‘white-collar employees’, managers, self-employed business persons, or professionals; (b) Kharas and Gertz (2010) persuasion which considers middle

class households as those within a comfortable lifestyle⁶ and (c) spatial location of participants' household – they had to be located within Newcastle Municipality's western suburbs.

1.4.4. Economic Mobility

While there are many definitions of economic mobility, (see Fields; 2005) this study will utilise what Fields (ibid: 6) refers to as positional movement - that is, "individual's changes in economic positions". These changes refer to both upward and downward movement within the income pyramid. Positional movement is the most commonly used approach in determining economic mobility. This notion is especially relevant for South Africa, given the 'mobility' opportunities presented by South Africa's economic democratization process.

1.4.5. Social Capital

Social capital has been defined as the capability which emerges from social networks (Fukuyama, 1995). Woolcock (2000:2) notes that, "gaining membership to exclusive clubs requires inside contacts that close competitions for jobs and contracts are usually won by those with "friends in high places". The notion of social capital suggests that if an individual is not a member of certain networks which could secure meaningful economic opportunities, they could be classified as poor (Wilson 1996). Addressing poverty requires building bridges which facilitate new social networks, which become useful 'social capital' thus presenting more opportunities for economic mobility. This concept will be critical for this study, as it explores the question of new economic relationships and what these mean for the poor.

1.5. SOFT SYSTEMS THINKING AS THE CONCEPTUAL FOUNDATION OF THE STUDY

As already stated, the thesis will examine issues from the basis of Soft Systems Thinking (SSM). Soft Systems Thinking is a school of thought which focuses on the relationships between 'system parts' and how these relationships re-define the entire system. SSM is a branch of Systems Thinking which focuses on human relations. According to Capra (1994), Systems Thinking emerged in the 1920s, from biologists who viewed living organisms as

⁶ For Kharas and Gertz, comfort manifests in the ability to afford decent health care, decent housing, job security, higher education, reasonable retirement benefits as well as surplus income for leisure activities

systems, whose properties were different from the parts. Psychologists advanced the concept, as reflected in the gestalt school of thought. Gestalt is a German terminology which explains 'organic', and suggests that living organisms perceive things in whole, rather than in parts (Capra, 1994). This gestalt school coined the famous phrase, 'the whole is greater than the sum of its parts' (Ibid). Following the biologists and the psychologists were the ecologists, who viewed natural science as a web of systems-and thus coined the term 'eco-systems' (Capra, 1994). This discovery spanning biology, psychology and ecology concluded that the properties of the whole are different from the properties of the parts put together. In other words, an organization (or a system) is better understood through understanding its connectedness and relationships of its parts.

There are contrasting accounts though, on the specific origins of this theory. While Laszlo and Krippner, (1998) as well as Ackoff (1997) consider Von Bertalanffy (biologist) as the original source of the systems theory, Ansari (2004) argues that progressively Von Bertalanffy founded a strand of the systems theory-the open systems theory- arguing that Norbert Wiener and Ross Ashby developed a different strand, the closed systems theory. 'Open systems' can be viewed as units which remain in an enclosed environment such as a "candle burning in a tight jar" (Tamas, 2000:2). The closed system framework appeals more to non-organic sciences. Open systems, on the other hand refer to units each with a "...boundary which is open to some extent and which makes it possible for energy or influence (in various forms, such as information or goods) to pass into and out of its system" (ibid: 3)

While Von Bertalanffy, Whitehead, and Weiss all made important contributions to articulating how the world is organized as a 'system' it is Von Bertalanffy (1968) who distinctively describes the defining tenets of systems theory, by outlining the following four developments.

- (a) There is a general tendency toward integration in the various sciences, natural and social.
- (b) Such integration seems to be centred in a general theory of systems.
- (c) Such theory may be an important means for aiming at exact theory in the nonphysical fields of science.

(d) Developing unifying principles running "vertically" through the universe of the individual sciences, this theory brings us nearer the goal of the unity of science and,

(e) This can lead to a much-needed integration in scientific education (Von Bertalanffy, 1968:38).

Ackoff (1997) further presents what he envisages as a preparatory platform for systems thinking, what he calls the machine age. The machine age contains the core of a modernist philosophy, and the tenets of a positivist rationalistic way of thinking. This machine age philosophy, Ackoff (1997) argues, is traceable from the renaissance period, and was characterised by three fundamental strands as explained below.

(i). *The universe is completely understandable* - This belief was a response to a theological wave which resigned from inquiring the universe as easily understandable. This strand, according to Ackoff is traceable from Rene Descartes who posited that the human mind was capable of grasping the nature of reality. In 1850, a declaration was made in a European conference that "...by the year 1900 human understanding of the entire universe would be complete" (ibid; 1997:2). It wasn't.

(ii). *Analysis is inquiry* - This characteristic of the machine age argued that the best way to understand an object or a phenomena was to disassemble the constitutive parts, study the functions of each of the parts and assemble them back again. This process (analysis) of first understanding the constitutive parts and the functions of each was considered as the most effective way of understanding the universe.

(iii). *Cause and effect thinking* – The third factor of the machine age was a cause and effect pattern of thought, which stipulated that a cause was altogether sufficient for its given effect. This belief was founded on theological philosophy which tried to explain the relationship between creation and the creator.

The three factors stated above led to the understanding of the world as a machine, and this understanding became a foundation for the industrial revolution, of working with 'machines'. Ackoff (1997) contends that the industrial revolution became a technological manifestation of the machine age. The industrial revolution reinforced a reductionist thinking, - that is, disassembling of machine parts for better understanding of the machine. According to Ackoff (1997), criticisms of the machine age came in the form of two publications, one titled

cybernetics by Nobert Wiener (1947) and the second, General Systems Theory by Ludwig Von Bertalanffy (1954). To contrast the machine age with systems thinking, Ackoff (ibid) gives an example of an automobile, and argues that if an automobile parts are disassembled, it ceases to become an automobile, simply because an automobile is not the sum of its parts, it is rather the product of the *interaction* of the parts. The most effective way of understanding a system, therefore, posits Ackoff (ibid) is what he refers to as ‘synthesis’ –an understanding of the relationships of ‘machine parts’ The difference between ‘analysis’ and ‘synthesis’ is that synthesis reveals *why* a system works the way it does while analysis reveals *how* a system works (ibid).

System theorists therefore disagree with reductionists in that, while reductionists argues that the character of each system part determines the outcome of the entire system, systems theory suggests that “...systems behavior is different from the sum of its parts, and does not follow from intentions of the individual agents, but on how system agents are interacting with each other within the system structure” (Menendian, 2008:2).

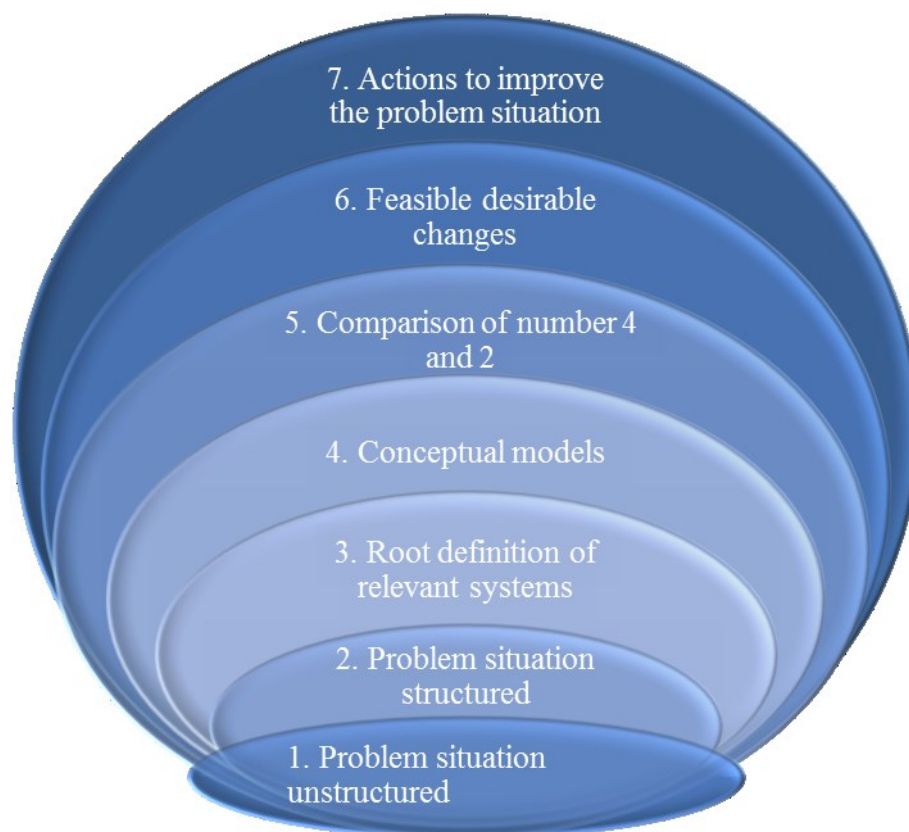
Within this interaction though, Morgan (2005) argues that systems are sometimes starved of nourishment –such as money or wealth- in which case then that system begins to decline (what Morgan calls entropy). What this might suggest is that, when the system receives nourishment, it creates possibilities for a new relationship of the system parts, effectively influencing the entire system to thrive. Put differently, “...[if] emergent properties ...appear slowly or, on occasion ...reach a critical mass and a tipping point, that pushes the system in a new direction or up to a new level of capacity and performance” (Morgan, 2005:12).

While the above arguments seek to justify system thinking methodology, Brown (2007) devotes attention to explaining what is meant by a ‘system’. For these authors, a system is characterised by (a) component elements or subsystems which all relate to each other and (b) a structure or a metasytem, which determines how these system parts interact. Every system further consists of boundaries (ibid). Boundaries provide the need to focus on the most important elements for analysis. Systems thinking is categorised between simple systems (in which the chain of factors have an ending point) and complex systems which create ‘feedback loops’ rather than an end point (Brown, 2007). In deconstructing the concept and character of feedback loops, Brown (2007:81) that;

“feedback loops can be either positive (reinforcing) or negative (balancing). In a positive feedback loop, a change in one element will trigger changes that amplify, or reinforce the original change. In a negative feedback loop, a change in one element will trigger changes that dampen, or balance the original change”

System theorists view issues from a ‘loops and patterns’ perspective, aided by an on-going assessment of current events (Reed, 2006).

It also follows that, all the elements present different opportunities to change the entire system. Identification of ‘leverage points’ (see Brown, 2007) is critical for influencing the entire system. Loops and patterns, and leverage points fall within what Edson (2008) considers as the two main perspectives in systems thinking, that is, (a) a full contextual view of a system and (b) systems approach to solutions. Checkland (1999) has made an important contribution towards the process of understanding these two perspectives, as illustrated below.



Source: Adapted from Checkland, (1999).

Figure 2: Conceptual Tool for Understanding and Analysing Systems

The above diagram presents the process of understanding the whole system, and systematic approach to finding a solution. This approach will be critical in providing an intergenerational system context and issues. Modern versions of systems theory have resonated in the practice of social work, political as well as behavioural sciences (Laszlo and Krisper, 1998). Within social sciences, contemporary uses of systems thinking include efforts to understand how enterprises work (See Rebovich, 2006), diagnosing development processes in municipalities (Brown, 2007), understanding how leadership is organized (Reed, 2006) as well as understanding how government functions (Chapman, 2004). To the best of the knowledge of this author, there is no application of Systems Thinking in a household setting as a problem solving technique. Thus, applying Systems Thinking in a development economics context and at the household level, this project will examine intergenerational wealth accumulation and transfer among previously disadvantaged South African households in order to shed new light on the issue of intergeneration poverty alleviation.

The application of the Systems Thinking approach on existing literature is primarily in terms of inter-relationships of various systems, whether these manifest in form of households, neighbourhoods, or social relationships. Networks and relationships will therefore be the golden thread, running through the theoretical chapters. The Systems Thinking approach will be however more prominent in the data analysis chapters. It is important here to emphasize that the explicit reference of systems thinking might not feature as regularly in the analysis chapters, however, the principle of ‘connectedness and interdependence’ are deliberately examined. In this way, Systems Thinking is applied.

The thesis follows the following structure in order to address the purpose of the study. Chapter One problematized the thesis by drawing the conceptual circumference around which the rest of the thesis Chapters revolve. The Chapter identified the study problem; research questions and objectives; it presented the terminologies which recur in the study and put forward the theoretical framework which govern the thesis. Chapter Two considers theoretical discourses which surround intergenerational poverty and wealth. This chapter deliberately avoids the wealth transmission debate, an omission which gives shape to chapter three which confronts intergenerational transmission questions. The research methodology used in collection of the primary data is provided in chapter four. Chapter five discusses the assumptions made about the black middle class. By discussing these assumptions, the chapter considers variations and commonalities among the new black middle classes. Chapter six

reports on findings on intergenerational wealth distribution among the new black middle classes, focusing on transmission of aspirations and investments from the past, to the current and onto the immediate next generation. Chapter seven concludes the study.

CHAPTER TWO: DISCOURSES ON INTERGENERATIONAL POVERTY AND WEALTH TRANSFER

2.1. INTRODUCTION

The task of this chapter is to review existing literature on current intergenerational poverty as well as wealth distribution debates and discourses, as a broad frame of understanding black South Africans middle class wealth distribution behaviour. While the primary mission of the project is to reveal emerging trends on household based intergenerational wealth distribution in post-apartheid South Africa through Systems Thinking lenses, this chapter will make connections between South Africa's discourses and global debates. The chapter will also discern theoretical fault lines as well as the gains made on understanding wealth dynamics within black South African households in a national moment of change.

2.2. PHILOSOPHICAL UNDERPINNINGS ON POVERTY AND ITS CAUSES.

2.2.1. The essential premise of Poverty Alleviation

The efforts to understand poverty, its traps and causes is situated within Development Economics discipline (Todaro and Smith, 2011). In their work '*Economic Development, eleventh edition*' (2011), these authors consider the objective of Development Economics as the efforts to decipher the nature and character of poverty and inequalities in developing countries, and how these can be effectively addressed. Todaro and Smith's (2011) definition of development economics as essentially a tool more relevant in developing countries than developed countries, in part assumes social, economic, as well as institutional chasm between developed and developing regions. That is to say, developing countries are different, and, they face significantly different challenges than developed countries.

The above 'difference' exists because evidently, some regions and individuals have systematically increased their wealth over a period of time while others have experienced periodic or persistent poverty (Todaro and Smith, 2011). There are therefore no debates on whether some nations are more developed than others-this is an accepted reality in modern society. There are also no contests as to which nations are more developed than others. Even more, development is accepted as a desired and possible state for all nations, going by current definitions of development. For Adam Smith, development is happiness (Smith, 1776), Sen

(1999) views it as freedom, Porter (1990) considers development as competitiveness while Todaro and Smith (2011) define development as improving the quality of life and levels of living. The absence of development (underdevelopment) would be the reverse-lack of freedom, unhappiness, lack of competitiveness and poor quality of life. These issues go beyond social advantages to social evils; morally wrong in a human society.

So then, what is at stake, and the scope of Development Economics is why these social evils exist in some nations and not others, what the most effective path to development should be, at what pace and by whom. These questions seek to address empirical evidence such as put forward by Todaro and Smith (2011) that roughly 1.3 billion individuals live on less than \$ 1.25 a day and about 40% of the global population live on less than \$ 2 a day. For Todaro and Smith (2011), low level of income forms a solid foundation for a range of social ills such as under nutrition, poor health, low literacy, environmental degradation, minimal influence on policies, poor housing, among others. These social evils characterise the lives of about 3 billion out of the world's 7 billion people.

The difference between poor and rich nations has not always been existent. As far as Yifu Lin (2012) is concerned, a comparison of today's living standards and those of the beginning of the 18th century world, all countries were poor. He further contends that in the 18th century, the whole world relied on agriculture, and, effectively the growth of their annual average of Gross Domestic Product (GDP) hovered around 0.05 per cent for the whole century. During the same time, per capita income only increased to 1 per cent in the beginning of the industrial revolution (Yifu Lin; 2012) which started in Great Britain in the second half of the 18th century spreading rapidly to western Europe then to the United States. For the next two and half centuries, -and continuing - the task of development theory has been based on efforts to understand the economic development pattern followed by developed countries, and the extent in which these patterns can be replicated in developing countries –a 'catching up' of developed status by developing nations.

Important and useful as national level analyses have been, ultimately, nations reflect wealth variations within their borders. Thus some regions will be richer than others, and, some individuals will be wealthier than others. The following section seeks to present existing notions which explain the causes of poverty.

2.2.2. Dominant Theoretical Schools on Causes of Poverty

Introduction

Literature groups poverty into either cultural or structural, depending on who you ask (Flesh, 1970; Austin, 2006). For Flesh (1970), cultural means that poverty is a consequence of individual actions while structural analysis contends that institutional arrangements form the basis of poverty. There are of course variations in each of the two broad categories. On his part, Austin (2006) provides a disciplinary premise, contending that presentations on the causes of poverty are essentially a contest between sociologists who view poverty as structural and psychologists who argue that rational action determines the level of wealth accumulation. This section will examine the mainstream debates put forward to explain the causes of poverty.

2.2.2.1. The Structuralist Theory

One of the dominant schools of thought in poverty debates is the Structuralist persuasion, which seeks to explain poverty from societal relations. Sanchez-Ancochea (2007) reclassifies the structuralist school into Anglo Saxon and Latin American, arguing that the Anglo Saxon School emerged earlier than the Latin American version. The Anglo Saxon form of structuralism underscored the importance of government intervention, considered modernization of agriculture and increased overall productivity of national economies as necessary for long term economic growth (Ibid). The central locus of this school was how countries could overcome internal barriers to development (Ibid), and the solution to this question, as far as Sanchez-Ancochea was concerned, was to be found in state intervention.

Unlike the Anglo Saxon version which focused on intra-state barriers to development, the Latin American form school contended that underdevelopment manifested exploitive relationships between nation states (Sanchez-Ancochea, 2007). The Latin American form of structuralist position was popularised by Raul Prebisch in the 1950s, and reinforced by other centre left economists such as Cardoso and Faletto in the 1960s. Prebisch, the then director of the United Nations Economic Commission for Latin America and the Caribbean argued that economic growth and development in advanced countries necessarily was directly exploitive to underdeveloped countries. Prebisch's theory was that advanced countries relied on cheap raw materials from underdeveloped countries, manufactured these materials then sold back to underdeveloped countries at exploitive costs.

Both versions of structuralists related in a limited sense, to Keynesian economics, which on its part recommended measured state interventions in markets (Martinussen, 1997). Keynesian economics was not only useful in explaining the great depression in 1929; it also became the main theoretical reference for post-world War II reconstruction (Martinussen, 1997). According to Martinussen (1997), there were some convergences between structuralists and Keynesian economics especially around unemployment as a critical development problem, only that they differed on how to effectively address the phenomenon. For structuralists, unemployment could only be resolved through transforming relationships which according to this theory, created the conditions for unemployment (Martinussen, 1997) and underdevelopment. Thus, with relationships analysis as a point of departure, this position deviated from previous theories which were more concerned with the ‘what’ question. It rather focused on examining the underdevelopment question mainly through qualitative lenses. Similar to strands of Keynesian economics, structural theorists underscored the importance of government intervention -or what they preferred to term as industrial programming (cf Martinussen, 1997) to differentiate themselves from far left position.

As Martinussen (1997) points out, however, the structuralist school has been re-born in various yet different versions, with the orthodox structuralist positions shifting with increasing development experiences and changing global forces. Revised versions have toned down on state interventions, citing that the state is probably more effective when it plays a facilitative role.

The structural school therefore, focuses on relationships, and how they shape development outcomes. This otherwise popular view has increasingly gained grounds in shaping regional relationships, as developing countries bargain for better balancing of economic and political relations, from the premise that their underdevelopment is a direct cause of exploitive relationships with advanced countries. The on-going bargaining is well documented in development literature. On Trade, for example, Page (2003) dismisses pessimistic views which might suggest that participation of developing countries might not yield meaningful gains. In response to this pessimism, Page (2003) notes that multi-lateral trade negotiations have increased in scope and complexity, since the founding of the General Agreement on Trade and Tariffs (GATT) 1947. The collapse of the World Trade Organization round of meeting, scheduled for Seattle in 1999 was the first solid case of developing countries expanding bargaining power (Ibid).

2.2.2.2. Classical Malthusian Theory

The Classical Malthusian Theory traces its origin from Robert Malthus, a demographer and theologian whose views reflect these backgrounds. Harvey and Reed (1992) contend that this paradigm considers poverty as a based on the productive structures of society, and attributes poverty to cultural practices and beliefs. In this paradigm, the victims of poverty are mainly responsible for poverty (Malthus, 1798). The author of this perspective, Robert Malthus, distinguished between what he saw as the rational poor and the perverse poor (Malthus, 1798). The rational poor, according to Malthus faced unavoidable accidents or situations which plunged them into poverty, while the perverse poor simply rejected moral education, and therefore remained ignorant and morally depraved (Ibid). Malthus (1798) recommended moral education of the poor and their children, especially so that they possess lean rather than large families.

Malthus views were strongly influenced by Adam Smith, whose ideas dominated economic thought during Malthus scholarly beginnings. Malthus was also a contemporary and a friend of David Ricardo, a classical economist whose theoretical position potentially influenced Malthus thinking on the ‘individual’. Malthus theological position that social evils such as poverty are part of God’s plan, intended at inspiring the virtuous not to remain complacent, might have especially played a critical role in his view of individualism. This conclusion is based on the theological notion that God’s plan is more applicable to individuals than to the collective.

In its diagnosis and proposals of societal problems and solutions as individual based, Malthus thesis would later influence Macpherson’s ‘possessive individualism’ understanding of human existence (see Macpherson, 1962). This understanding holds that every individual is “essentially the proprietor of his own person or capacities, owing nothing to society” (Macpherson, 1976:3). Macpherson arrived at this conclusion from diagnosing the arguments made by classical economists such as Adam Smith, David Ricardo, Robert Malthus and John Stuart Mill (Kemal Utku, 2012).

Moreover, useful as Malthus arguments appear, they fail to account for the complexities upon which poverty thrive. Although with a different objective in view, Henry (2007) dismisses views such as Malthus’s, which attribute poverty to the victims, condemning them as linear and short sighted in that they consider only one social factor (bad decision making) as the

sole cause of poverty. Another limitation of this school is that it places the consequences of ‘depraved’ morals at the centre of its poverty analysis, ignoring the fact that decision making is not always an individual exercise, rather a sum of wide-ranging sociological factors. Additionally, Malthus’ definition of wealth (or lack of it) is linear, at least if traditional definitions of wealth are considered. For example, traditional societies often considered themselves wealthy, on the basis of large families and thus while Malthus would consider their decision to have large families as depraved, this assumption might as well label the entire traditional society, as depraved.

As discussed later in the thesis, Malthus idea of individual responsibility (better summed up by Macpherson as possessive individualism) might relate easier with future wealth accumulation behaviors and attitudes. The possessive individualism thesis might not be compatible with the way in which the black population group in South Africa would interpret the causes and effects of current socio-economic conditions in the country. Malthus view is therefore in part, misleading.

2.2.2.3. The Classical Marxist Theory

Classical Marxism, according to Harvey and Reed (1992), prefers to understand poverty from the nature of modes of production, or in other terms, the nature of capitalism. For this position, poverty is rooted in class conflicts, which are always engaged in cyclical yet contradictory patterns of capitalism. The premise, therefore, is capital, and how it repeatedly influences labor productivity through creating what Karl Marx referred to as an industrial reserve army (Harvey and Reed; 1992). Marx efforts to understand how capitalism works led him to conclude that the transformation of production processes from labor intensive to mechanizations, creates this reserve army (what he also called the absolute surplus population) which either revert to their rural homes with little or no productive use of their time, or, they move to urban areas and become urban poor, or even worse, they become isolated from ordinary social order (ibid). Marx assumption here was the essential inability of this ‘absolute surplus’ to recycle or re-use their skills in different sectors. As Harvey and Reed (1992) point out, Marx should not be understood as suggesting that poverty was caused by machines and technology, rather, poverty is a by-product of the constant modernization of the production process.

Karl Marx contended that the anarchy (or disorder) of markets essentially distinguished capitalism from other modes of production (see Khalil, 2000) –although Marx did not do any significant exposé on what he referred to as other modes of production. The anarchy of markets according to Marx reflects “...primarily the rule of people by commodities and the rule of people by people” (Khalil, 2000:20). Marx’s argument on the anarchical nature of markets was constructed upon the view that the poor (who he referred to as the non-estate) and what he referred to as the civil society were two distinct entities. The poor, he argued, are the elemental class of the society, uncontaminated by the civil society. The civil society according to Marx were progressively influenced by non-human values, and tended to attach more meaning in accumulation of wealth than it is necessary. The non-estate (poor) according to Karl Marx are not under illusion on what is important, they possess nothing but themselves. As such, he saw them as possessing superior moral consciousness.

In terms of social character and evolution, Karl Marx dismissed the idea that individuals determine the character or evolution of societies. In a poverty context, Marx argument posited that societies are reflective of class struggles, mainly between the bourgeoisies and proletariats (See Miliois, Dimoulis and Economakis, 2002). Institutions such as politics or religion, according to Marx were simply instruments of manipulation by the ruling class – thus while he referred to politics as institutions of cohesion, he termed religion as the opium of the people (Ibid; 2002).

The difference between Classical Marxism and Malthusian accounts are clear. The former located poverty in social contradictions created by a given mode of production, while the latter saw poverty as strongly linked to population trends and morality.

2.2.2.4. The Critical Marxist Theory

This view which Harvey and Reed (1992) refer to as the reproductive paradigm is traceable from Oscar Lewis 1968 article, titled ‘*the culture of poverty*’. This persuasion shares its general framework with the Classical Marxist philosophy, in that it considers poverty as by-product of the capitalist modes of production. The divergence lies in its attention on how poverty then, reproduces itself (after it has been caused by contradictory capitalism). Lewis (1968) put forward what he considered as a culture of poverty, which rather than focusing on individual personalities or even negative factors such as deprivation, it postulates that poor

people design their own adaptive practices as a problem solving technique. This culture, according to Lewis spans all borders, therefore creating a global similarity around specific adaptive behaviors such as interpersonal or social relations, orientations on time as well as spending practices. Lewis trail of thought relates to the more recent articulations such as Seekings (2003), which seek to re-classify orthodox traditions such as race, poor or urban into class based framework. In this universality, Lewis further posits that, contrary to popular views, as a consequence of their acquired culture, the poor are not disorganized; they demonstrate order and highly predictable livelihood patterns. In these arguments, Lewis is essentially sympathetic to the poor.

In some quarters, Lewis Culture of poverty has been misrepresented to mean culture in the anthropological sense. In less forgiving words, and what could be considered as a misrepresentation of Lewis thought, Bradshaw (2005) presents culture of poverty as deliberate efforts by the poor to manipulate supportive systems. Others such as Murray (2004) go as far as accusing the poor of acquiring manipulative skills, and passing these on to future generations. These otherwise passionate presentations, together with Moynahan's view (1965) which gave an example of how African American poverty culture resulted from the disintegration of overall African American culture by urbanization, deviate to an important extent, from Lewis concept of the culture of poverty.

Although Lewis account sheds meaningful light on how poverty recycles itself, it acknowledges only in part the labyrinth which characterise this recycling. Failing to adequately capture the poverty problematique partly also, leads to overstretching of his theory to suit specific intentions such as in the aforementioned misconceptions and misrepresentations.

2.2.2.5. The neo-Classical Theory

The Neo-classical school emerged in the late nineteenth century (Harvey and Reed; 1992), specifically from Menger, Walras, and Jevons, who all operated independent of each other (Schuster, 2006). Neoclassical theory is an *analytical approach*, and is therefore found in both economics as well as in sociology. The central tenet of this approach is an understanding and analysis of the society from the premise of individual responsibilities and what Harvey and Reed (1992) refer to as their subjective utilities. Traces of this analytical approach are

sparsely located in sociology literature, such as already noted on Malthusian view (above). Still on this point, Harvey and Reed (1992) detect the evidence of neoclassical analysis in Weberian Action theory as well as in neo-Kantian theoretical position.

With individual responsibility as its point of departure, the poverty problem lies in what Simmel (1978) terms to as the marginal productivity of the labourer, and the social consequences of this marginality. This approach is less concerned on what causes this marginal productivity of the labourer, and tilts the theoretical scales towards understanding the impact of poor productivity on both the individual and the society as a whole.

This school also places high currency on skills (and the lack of skills) and how these either deliver households or individuals into or from poverty (Harvey and Reed, 1992). The remedy to poverty as seen by neoclassical position lies in equipping the poor with skills, changing their socialization behaviors and re-orientation of their values and acts (ibid). In other words, in this view, the poor are disconnected from the civilized world in terms of skills, thinking patterns and values. This view also places value on incentives, arguing that the poor should be allowed to make choices, without additional incentives (considering that poverty is a strong negative incentive, in which case nobody would like to remain in this situation) such as welfare programmes (Bradshaw, 2005). On this, authors such as Gwartney and McCaleb (1985) are more explicit, in arguing that welfare programmes in fact distort market processes, through sanctioning achievement on one hand, and cushioning the consequences of bad decisions. The continuation of poverty, these authors continue, is largely because of many interventions rather which distort market structures. The remedy is the opposite.

In this light, unlike arguments made in sociological discourses, the poor (and not production systems) should be transformed (Harvey and Reed, 1992). This position also functions from a comparative view, with the wealthy as a benchmark of what society ought to be –and the above interventions being tools to reach that bench mark.

Some Neo-classical theorists such as Gorodnichenko and Roland (2013) argue that individualistic societies are more productive than what these authors refer to as collectivism, given that high rewards (monetary as well as social status) function as incentives for innovations. Individualism and collectivism according to Gorodnichenko and Roland (2013) are cultural traits, easily transmittable from parents to their children.

In the very least, this analysis maps out winners and losers, each responsible for their outcome. By so doing, it creates a potential framework for social tensions, through alienating the poor as a ‘non-society’.

2.2.2.6. The Cognition Depletion Theory

The most contemporary theoretical position is what might be referred to as the cognition depletion school of thought, a term borrowed from Eldar Shafir and Sendhil Mullaianathan work on *Scarcity: why having too little means so much* published in 2013. In their book, Shafir and Mullaianathan (2013) argue that scarcity reduces the use of cognitive resources, which in turn impact negatively on decision making. These authors equate scarcity to ‘bandwidth overload’ contenting that the pressure to make a tough decision promotes a linear vision, which lends itself to the situation at hand, consequently crowding out other important decisions. That is to say, people tend to over-focus on a particular scarcity to the detriment of their other functionings. Traces of this line of thought are evident in earlier literature, such as in Muradi and Oyeboode (2004) from a psychiatric discipline. In this regard, Muradi and Oyeboode argue that “Poverty can be intrinsically alienating and distressing, and of particular concern are the direct and indirect effects of poverty on the development and maintenance of emotional, behavioural and psychiatric problems” (2004:216). Although these authors do not further develop their notion of the ‘behavioural and psychiatric problems’ as a result of poverty, their contention can easily be paralleled with the more developed version as presented by Shafir and Mullaianathan.

Others who have made similar arguments as Shaffir and Mullaianathan include Dean Spears (2010) who posits that poverty forces the poor to make more complex and tough economic decisions than wealthy individuals, and by so doing ‘deplete’ their cognitive abilities. This then, argues Spears, leads to depleted capacity to regulate their behaviors, or in other terms, decreased rational capabilities. Shafir and Mullaianathan (2010) are quick to point out that, this view should not be seen as an exposé of how poor people behave, rather, every moment of scarcity (regardless of whether an individual is poor or wealthy) reduces cognitive abilities (what they refer to as bandwidth overload), and thus, at that given time the concerned individual is likely to poorly regulate their behavior. This argument does not absolve the authors from the implicit suggestion that poor people behave in a particular way, considering

that poor people live within the ‘depleted bandwidth’ space on an on-going basis, and therefore, going by Shafir and Mullainathan theory, the poor behave in a particular way.

Although at its infancy, this is an important contribution on how poverty is likely to recycle itself, or how difficult it might be to terminate poverty. It however does not provide input on the causes of the ‘initial’ scarcity, which is likely to trigger subsequent poverty reinforcing decisions. It further fails to narrate the potential variations in terms of how people respond, depending on individual conditions such as personality and networks. For example, if two individuals with similar income are faced with a decision to repair expensive equipment, individual A might find it easy to contact a neighbour or a family member for assistance because this individual is not only sociable but also lives in close proximity with family and friends, while individual B might not have these options as easily available. This theory is also silent about culture and upbringing, and rather gives ‘totality decision value’ to scarcity. This is to say, it assumes that decision making is exclusively situational, and is not influenced by social and cultural contexts. This is a linear view, which does not recognize the extent in which sociological and cultural factors regulate individual behavior.

2.2.3. Intergenerational Poverty in Major Development Theories

The deconstruction of the causes of poverty is easily found in past macro-development debates and practices, all of which represent themselves (even if in part) in contemporary development practice. While the poverty concept as already argued, does not articulate the ‘scope’ but rather the circumstance, debates put forward by mainstream development theories aim to examine the character of mass poverty and options for addressing this expansive poverty. Here the study will trace IGP in the long range development theories, in its efforts to draw the theoretical parameters of its objective. After World War II, efforts to reconstruct broken down economies, as well as the attempts to pose challenging questions on how poor countries could develop, became the main pre-occupation of many scholars from various disciplines. These efforts gave birth to development economics, which has re-invented its quest to understand poverty dynamics, causes and effects, and the possible remedies to generate global prosperity.

2.2.3.1. Modernization Theories (1950s and 60s).

Modernization theories started as part of theoretical application of the successful Western Europe recovery from World War II. From a neo-classical viewpoint, Bradford De Long and

Eichengreen (1991) boldly assert that that the Marshall Plan delivered fast growth, distribution and democratic stabilities in Western Europe. In their convincing paper '*The Marshall Plan: History's Most Successful Structural Adjustment Program*' these authors contend that the Marshall program in which the United States transferred \$13 billion of conditional aid to Western Europe between 1948 to 1951, laid the foundation for a lasting transformation of these economies. The aid, which was considered as the necessary massive capital, was conditioned on import substitution (ibid). This strategy became a blueprint for global development, leading to the popular stages of economic growth. Here, two strands of the modernization school are presented. First are Rostow's stages of economic growth, followed by the balanced and unbalanced growth theories.

2.2.3.1.1. Growth Stages

The founder and leading advocate of the growth stages theory was John Rostow, who presented neat development path for developing economies. In his famous 1959 paper *The stages of economic growth*, Rostow admitted that his was a generalization of economic history, although he went on to justify this generalization as "... rooted in certain dynamic propositions about supply, demand and the pattern of production" (Rostow, 1959:1). In other words, for Rostow, the structural character of all economies was similar and thus required similar remedies. Based on his observation, all developed economies had passed through five stages namely; the traditional society, the preconditions for take-off, the take-off, the drive to maturity and finally, the age of mass consumption. These stages as Rostow (1959) conceptualised them are outlined below.

(a) The traditional society.

The traditional society according to Rostow mainly consisted on low production labor force, of which three quarters (75%) were absorbed in food production. In this phase, although innovations took place, they were random and sub-optimal due to lack of sufficient technology. Rostow also contended that this stage comprised of poor investments, with high expenditures expended towards wars, religious festivities as well as establishment of monuments. Social structures in this stage were mainly rigid and hierarchical, and, political power was concentrated among land owners.

(b) The pre-conditions for take-off.

On Rostow's classification, the pre-conditions for take-off phase was characterised by two factors, namely; the evolution of modern science and the discovery of virgin territories which influenced technology inventions. Additionally, expanding global markets influenced the modernization of production, and internationalization of trade. The three most critical sectors whose growth was necessary to break the traditional society cycle according to Rostow were the transport sector, the agricultural sector and expansion of imports. Rostow pointed to Britain as the first European Nation to move from a traditional society to the preconditions for take-off stage, which forced other European nations out of traditional society phase. An interesting postulation in Rostow's thesis is nations such as New Zealand, the United States, Canada, Australia, and others who although British colonies they were colonized 'differently' from Africa. This different kind of colonization had resulted to nations 'born free from traditional society stage' as Rostow puts it. This made their pre-conditions to take off different from 'normal' traditional societies. The key motivator of the preconditions for take-off as Rostow saw it was reactive nationalism, which was in the main generated by foreign invasions.

(c) The take off stage.

Rostow presents the take off stage as fast growth of specific sectors which thrive on modern industrial technologies and practices. Rostow posited that the high growth sectors varied from country to country, thus in Britain it was cotton textile, and in others such as the United States, Germany, Canada, France and Russia it was railroads while in Sweden it was timber manufacturing and railroads. Rostow then suggested the need for government intervention, especially expansion of entrepreneurs and technicians. This intervention however assumes a transformative social change especially in the political sphere, so that political leadership consists of non-traditional social attitudes.

(d) The drive to maturity

Rostow defines the drive to maturity as "the period when a society has effectively applied the range of (then) modern technology to the bulk of its resources" (Rostow, 1959:8). This phase is characterised by development of new sectors which graduate to high growth category, while the initially rapid growth sectors slow down and rather begin to expand. The guiding catalyst to high growth sectors is resource endowment and to some extent government policy.

(e) The age of mass consumption

This according to Rostow was the developed stage, where societies shift to social security and welfare, leisure to the labor force, increased private consumption, single family households, and large scale yet durable consumer goods and services. He provides an example of the United States in the 1920s, where large numbers of urbanized population migrated into suburbia, following which rail roads and advanced transport machinery was invented to cater for the new suburbia migrants.

Contemporary to Rostow's modernization theory was the balanced and unbalanced Growth theory, also, both of which utilised similar thinking as modernization, except on a different application. The balanced and unbalanced growth theories are briefly presented below.

2.2.3.2.2. Balanced and Unbalanced Growth Theory

One of the early theoretical positions in development economics was the balanced versus unbalanced growth. The balanced growth tradition traces its influence from Ragnar Nurkse, an Estonian American Economist who diagnosed underdevelopment from the point of view of capital, mainly underlining the cyclical nature of poverty (what he termed as underdevelopment equilibrium). In his famous 1953 work titled *problems of capital formation in underdeveloped countries* Nurkse (1953) argued that (a) underdeveloped countries consisted of citizens who had low incomes and as a result they could not save and consequently, lack of savings led to lack of investment, which in turn meant lack of increase in productivity, and therefore no increase in income. (b) Low incomes resulted to poor nourishment, which in turn determined lack of physical energy for high productivity. Low productivity consequently produced low incomes, and the pattern recycles itself. (c) Low incomes determine low demand and therefore limited market. Lack of adequate market size demotivates investors from increasing their productivity.

From the above diagnosis, Nurkse presented a strategic option for governments to stimulate high savings and investments from a big push view –that is, invest heavily on various sectors to unsettle the underdevelopment equilibrium (Ibid). Unsettling this equilibrium, for Nurkse, meant citizens from developing countries would become more productive and would have more capital through the 'big push' investment method, and consequently create broad market base. The source of this capital as far as Nurkse was concerned, would be massive

private investments, through making use of surplus labor force to construct infrastructure, among other capital assets and large scale borrowing from foreign nations (Ibid). The underlying principle in Nurkse thinking was providing support for the rich, a strategy which was likely to expand the savings base and therefore set the growth process in motion.

Another influential scholar in the balanced theory activism was Simon Kuznets, who shared the trickle down thought with Ragnar Nurkse. In his 1955 paper titled economic growth and income inequality Kuznets sought to demystify the relationship between growth and inequality (Kuznets, 1955). Kuznets argued that inequality would tend to increase in the first few years of economic growth, but then stabilize and consequently begin to decline (Kuznets, 1955). Using data from Germany, the United Kingdom and the United States, Kuznets analysis concluded that the incomes of the poorest 40% of the population grew slower than average, until they reached roughly between US\$700 and US\$ 900, following which they would grow faster than average. Kuznets supported his thesis by presenting the following analysis:

“In the United States, in the distribution of income among families (excluding single individuals), the shares of the two lowest quintiles rise from 13 1/2 per cent in 1929 to 18 per cent in the years after the second world war (average of 1944, 1946, 1947, and 1950); whereas the share of the top quintile declines from 55 to 44 per cent, and that of the top 5 per cent from 31 to 20 per cent. In the United Kingdom, the share of the top 5 per cent of units declines from 46 per cent in 1880 to 43 per cent in 1910 or 1913, to 33 per cent in 1929, to 31 per cent in 1938, and to 24 per cent in 1947; the share of the lower 85 per cent remains fairly constant between 1880 and 1913, between 41 and 43 per cent, but then rises to 46 per cent in 1929 and 55 per cent in 1947... In Germany as a whole, relative income inequality drops fairly sharply from 1913 to the 1920s, apparently due to decimation of large fortunes and property incomes during the war and inflation; but then begins to return to pre-war levels during the depression of the 1930s” (Kuznets, 1955:4)

The above analysis –which Anand and Kanbur (1993) refer to as the Kuznets process- was ground breaking in the sense that, as Anand and Kanbur (1993) point out, it was highly influential in the development of more recent inequality debates. Notwithstanding, Kuznets model was based on numerical illustration (Anand and Kanbur, 1993) and by so doing, it

failed to explain the conditions under which these data changes take place. By this token, while it was an important piece of work, Kuznets model was ill equipped to predict inequality in developing countries considering the fundamentally variant structures of developing economies. Few years after Kuznets publication, and with evidence from India, Dandekar and Rath (1971) refuted the Kuznets process, arguing that higher rate of economic growth was better for all social groups, with the exception of the poorest 10 percent. They also contended that a fair distribution of growth (rather than growth around the wealthiest) was more essential for reducing inequality.

Kuznets later work (1971) argued that high levels of economic growth not only require, but are also closely associated with structural changes in the economy. He cited that although “...this does not mean that all the historically associated shifts in economic and social structure and ideology are requirements, and that none of them could be avoided or substituted for...some structural changes, not only in economic but also in social institutions and beliefs, are required without which modern economic growth would be impossible” (1971:348). That is to say, if governments focus on economic growth, by implication, they also focus on structural changes in the economy. This argument was based on the conceptualization of economic growth as “...the capacity to supply increasingly diverse economic goods to its population, this growing capacity based on advancing technology and the institutional and ideological adjustments that it demands” (Kuznets, 1973:247). The main factors in this definition are technology, institutions and ideologies, and the required changes in each. What Kuznets omitted was how technology is accessed by the poor, how the institutions are able to function efficiently for the poor without influence by interest groups and the pathways to ideological change. These are ‘process’ issues which when carefully examined render the project of economic growth far more complex than Kuznets conceptualized.

Adding to the critique of Kuznets process, more recently, in his *Capitalist in the 21st Century* magnum, Thomas Piketty contends that income inequalities decreased after World War II as a result of the policies which followed, and, inequalities increased significantly in the 1970s and 1980s although with major variations between countries (Piketty, 2014). These variations, continues Piketty, are a function of institutional and political differences (Ibid). Piketty’s premise is that, contrary to Kuznets view that the trickle down process would

naturally resolve inequalities, the absence of deliberate interventions to reduce inequalities form strong foundations for widening of income gaps.

The balanced theory camp converged with the unbalanced theory school in the diagnosis of the causes of underdevelopment, but differed in recommendations. Authors such as Gunnar Myrdal, Albert Hirschman, and Francis Perroux provided the main influence on the unbalanced theory school. From different perspectives, these economists argued that investing in strategic sectors which had backward and forward linkages was the most effective option of terminating underdevelopment equilibrium (See Hirschman, 1958). Myrdal (1957) for example presented what he referred to as cumulative causation, meaning that either growth or lack of it was perpetuated by market forces. In this regard, Myrdal agreed with Nurkse and Kuznets, both who are balanced growth theorists. Unlike Kuznets who viewed underdevelopment from lack of capital standpoint, (Kuznets, 1955), Myrdal argued that the question of underdevelopment required both economic and non-economic analysis (Myrdal, 1957). Myrdal also used an international framework in his analysis (Myrdal 1957), while Kuznets focused on endogenous forces (Kuznets, 1955). By this token, Myrdal pointed out that although many developing regions offered low labor costs for foreign firms, these firms would transfer technology skills and essentially develop human resources in developing economies –what he referred to as backwash effects (Myrdal, 1957). Myrdal concluded that economic activities tended to agglomerate around particular regions which had technological capabilities, or developed infrastructure (Ibid). Unfortunately, Myrdal argued, the skilled personnel would relocate to the developed regions, forcing the whole process to start again. This cyclical pattern expanded inequality gaps, as Myrdal explains below.

“If things were left to market forces unhampered by any policy interferences, industrial production, commerce, banking, insurance, shipping and indeed all those economic activities which in a developing economy tend to give a bigger than average return-and, in addition science, art, literature, education, and higher culture generally-would cluster in certain localities and regions leaving the rest of the country more or less in a backwater” (Myrdal, 1957:26).

2.2.3.2. The dependency theories (1960s and 1970s)

The modernization theory remained a popular brand for a short period. Surging as it was in the 1960s, it generated significant criticism from neo Marxist circles, so much so, that this criticism invented a new school dubbed the dependency theory. The dependency school mainly interpreted on-going development challenges as a result of predatory systems, which thrived upon extracting their benefits from others. In this context, poor economies were viewed in the context of the world political and economic system, and how this system shaped national economies (Sunkel, 1969). The development of some economies, it was argued, directly determined the stagnation or even underdevelopment of others (Dos Santos, 1971).

So (1990) presents a reasonably solid narrative of what dependency theory encapsulated, noting that the theory emerged exclusively from Latin America, mainly under the influence of Raul Prebisch, who was discontented with what he saw as an exploitive relationship between industrialized nations and less developed countries. This however was not the only source. Criticisms were however widespread beyond Latin American Economists, to Neo Marxists and other lone voices such as Gundar Frank (So, 1990). Frank was especially concerned that the modernization theory was a narrative of how western nations had developed, and effectively ignored the uniqueness and dynamics of developing countries (Ibid).

For the Latin Americans, the international division of labour needed to be transformed, mainly through protecting local skills and industries until they were well equipped to compete with global players (So, 1990). This proposition of course pre-supposed state capabilities to implement protective or import substitution policies.

2.2.3.3. The Washington Consensus

The term Washington Consensus term was coined by Williamson in 1989, to mean a list of ten reforms which had been agreed upon as necessary for Latin American Economies (Williamson, 1993). Although the intended meaning of the term has been miscarried and misrepresented (Williamson, 1993), it has become a representative of market oriented policies of the 1980s (See Gore, 2000). Gore (Ibid) labours to locate the Washington consensus episode in a paradigm context, finally concluding that it passes Kuhn's test of a paradigm. Others authors such as Broad (2004) as well as Babb (2012) are less cautious, and rather boldly brand the Washington consensus school as a paradigm- without much

qualification. On His part, Broad contends that “never has one paradigm so dominated development theory and practices across the globe as during the 1980s and 1990s” (Broad 2004:130).

Like the stages of growth, the Washington Consensus policy prescription (what is popularly known as the structural adjustment programs or SAPs) was based on success cases of given countries, of which it was assumed that backward countries could develop if they implemented the same policies. Because the consensus consisted of the two most powerful international financial institutions, development loans were offered to governments which complied with policy reform conditions (Babb, 2012). Of course by so doing, these policies failed to acknowledge internal uniqueness of social and economic factors in a given country. The underdevelopment problem in developing countries, according to this school, was essentially poor macro-economic management, closed economies which were not open for global competition and state regulation of factor markets (Gore, 2000). Solution to the underdevelopment question was to be found in stabilizing macroeconomics, minimising the size of the state in market affairs and effectively opening up domestic markets for global competition –or more neatly what Broad (2004) summarises as privatization, deregulation and liberalization.

It wasn't long before the Washington consensus became a subject of strong criticism based on its generalization on one hand, on the other, the evidence that the SAPs had yielded greater inequalities in developing countries (See Gore, 2000). One of the strong critiques of the Washington consensus, Gore (2000) faults this school as adopting a reasonably mean shift from historical to ahistorical measurement of performance. Others who although at some point were extensively involved in the World Bank or the International Monetary Fund, they have expressed discontent with the Washington consensus doctrine are, Joseph Stiglitz, George Soros Dani Rodrik (Broad, 2004) as well as Dambisa Moyo. Babb especially argues that “...the Consensus was subsequently weakened by its own unintended consequences, by political forces both within Washington and worldwide and by intellectual changes in the field of economics” (2012:1). Babb (2012) uses the term ‘weakened’ deliberately to mean that the Washington Consensus School is still powerful, only that it might not be as popular and forceful as it was in the sunset decades of the 20th century. Infact, Babb asserts that a formidable alternative is yet to emerge. This assertion is in spite of efforts to trace a different policy approach by authors such as Gore (2000) who present what he considers as two

emerging alternative strands, (a) the United Nations Development Programme's Sustainable Human Development and (b) a southern consensus, that is, East Asian post developmentalism and Latin American post structuralism. Although Gore does point that the above strands are emerging alternatives, he does not argue convincingly, especially after accepting that the Washington Consensus was a paradigm. The alternative should equally tower above mere 'emerging theoretical fibres' to a paradigm which meet's Kuhn's conditions. In these otherwise obscure alternatives, Gore (2000) loses the balance by calling the southern consensus 'apparent' and yet, in the same work he points out that the southern consensus is not a political reality, neither has it been presented analytically.

As far as Broad (2004) is concerned, the Washington Consensus paradigm no longer exists, a sentiment also shared by Gore (2000) as well as Onis and Senses (2005). The downfall according to Broad (Ibid) was based on a fundamental silence on social issues as well as the environment, the result being environmental degradation and soaring inequalities. Broad (2004) also draws the example of the East Asian crises of 1990s, as an example of the catastrophe of the neo-liberal self-proclaimed legitimacy. More analytically, Onis and Senses (2005) observe that although the Washington Consensus experiment failed, this failure posed new development questions, especially on the sufficiency of economic growth to address underdevelopment (Argentina and Turkey being good examples of growth without development).

2.2.3.4. The Development Impasse debate

Regardless of the constantly renewed theoretical presentations in the second half of the 20th century, a large population in many developing countries were still poor, trapped into low income and want of basic needs. As recent as 2009, according to the United Nations Department of Economic and Social affairs [UNDESA] (2009), there were roughly 1.4 billion people (or the whole of China and South Africa combined) who live in poverty. This is significantly higher than the 984 million who lived below a dollar a day in 2004 (Ibid). The United Nations Food and Agricultural organization (2009) illustrates similar trend of hungry people in the world, recording 963 million as at 2009, an increase of 142 million people on the 1990-1992 poverty figures. An estimated one third of children in the developing world suffer from Malnutrition, and are thus either underweight or stunted (UNDESA, 2009). By

the turn of the 21st century, approximately 1 billion people could not read, or write even their name (United Nations Children's Fund, 1999).

In a more systematic presentation, offering a neo-Marxist assessment of what he considers as the 21st century pattern of capitalism, Piketty (2014:174) observes that inequalities thriving on differentiated income from capital are what he has referred to as 'powerful multipliers of inequality' in this century. The differences in returns from capital, according to Piketty, ultimately shape saving and investment behaviors as well as the amount of wealth transmitted to the future generation (Piketty, 2014). For Piketty, this is the modern trend of economics the world over.

The above data suggests that the development enterprise has not moved out of the 1990s, when it was accused of fundamental failures (see Rihani, 2002), when it locked itself into what Rivero (2001) refers to as 'development myth'. The notion of development stalemate was conceived by David Booth, as authored in his 1985 article "Marxism and development sociology: interpreting the impasse", when he argued that out of meta-theoretical errors, development theory had become irrelevant and incapable of doing the development business. This argument has been sanctioned by "...numerous reports and studies" which have "eloquently capture[d] the fact that development has come to impasse or dead end" Gerandze (2006:76).

In the efforts to re-compose development agenda post the impasse, various authors present different solutions to addressing underdevelopment. Gerandze (2006) for example argues for the need to consider what he calls a "serious evaluation of what development entails" and a need for a "theoretical break with mainstream development theory". Unfortunately, the reader waits in vain for Gerandze to deliver a 'theoretical break with mainstream development theory', only to recommend a developmental state as his proposal. Here it is important to outline some shades of what Gerandze means by 'developmental state'.

The concept was developed by Chalmers Johnson in 1982, when he contended that the East Asian Economies adopted a "market-conforming methods of state intervention", or what he called a "capitalist developmental state" (Johnson 1982:304). The features of a developmental state according to Johnson are "...development-oriented political leadership; an autonomous and effective bureaucracy; a production-oriented private sector, and performance-oriented governance". (1982; 305). This, according to Johnson was the

explanation of the thriving East Asian ‘Tigers’ but only up to 1998 when these economies collapsed. Some further research around developmental states have been done, effectively labelling some states as developmental, such as Uganda, Mauritius, Botswana, and more prominently, South Africa (See Meynes and Musamba, 2010).

Thus, contrary to Gerandze’s argument recorded earlier, developmental state is not a new concept. Also, the debates and discourses around developmental state still lie within the otherwise redundant Market versus State debates. Third, as argued by Doner, Ritchie and Slater (2005), developmental states such the East Asian economies are not ‘manufactured’, they are instead conditioned, or naturally formed by geo-political and economic vulnerabilities, forcing them to organize coalitions and ambitions around those coalitions. These are blind spots which have not been covered by the developmental state sub-discourse.

Other efforts to break the development impasse are traceable among neo-liberal authors such as Mills (2010), who are less sympathetic to underdevelopment processes. Mills (2010) contends that underdeveloped regions fail to develop due to poor leadership, failure to open up markets, and low levels of labour productivity. In his work ‘why is Africa Poor’, Mills fails to see the role of external bodies in reinforcing underdevelopment, and rather in a fractional blindness argument, points numerous ‘internal’ constraints including rent seeking on Aid by African leaders, poor management of agriculture, lack of accountability on the part of leadership, poor participation of citizens in development decisions, and so on (Ibid).

Nell and Bins (1999) who represent a different perspective from the foregoing prefer to view issues on the margins of State or Markets debate. That is to say, these authors try to locate underdevelopment solutions in a relatively new discourse, Local Economic Development. This school of thought considers the 1990s development impasse as a product of developed countries perspectives on poverty in underdeveloped countries. In this context, Nell and Binns claim that “...the failure of successive generations of imported, Western development strategies and projects to deliver meaningful reductions in poverty and achieve basic needs in Africa, has provoked a deep questioning of Western concepts and methodologies of development” (1999:389).

These authors go on to point out that to break the impasse, “...an opportunity for more situationally relevant and people-centred development is apparent and appropriate”, referring to Local Economic Development (Nell and Bins, 1999: 389). Yet in the same account,

ironically, Nell and Binns (1999) argue that the Local Economic Development (LED) philosophy is in part rooted in neo-liberal economics, especially on the doctrine of independent economic action. Summarily, what these authors imply is that, while LED is considered as a new tool to resolve development impasse, it bears semblance with neo-liberal economics in some way. Later publications on LED from left leaning critics such as Bond (2002) have displaced the gravity of the discourse, by dichotomizing LED as either pro-poor or pro-market, although without offering any sustainable option for LED. By doing so, Bond regresses the LED discourse back to the state versus market debates.

To be fair though, in terms of the impact of LED, when micro levels of poverty, inequality and unemployment are keenly considered, some contexts have demonstrated positive results. In Brazil, Pakistan, India and Mexico, for example, industrial districts have been documented as highly successful (Helmsing, 2001). Local economic activities have increased in some contexts of the United States, and local residents in the US have experienced improved well-being (Bartik, 2002). There is however no measurement tools to determine the extent in which LED has delivered on its mandate.

So then, the tides and flows of development debates seem to suggest that development theories might have mis-carried their mandate, and although new philosophies continue to emerge, they are only paradigmatic by aspiration. None of the post impasse development philosophies have reached a paradigmatic proportion. One of the fundamental fault lines of development policy has been the tendency to view issues from a reductionist, linear lenses. The varying diagnosis of underdevelopment is symptomatic of a linear based presentation of the development question.

2.2.4. Tracing a New Poverty Alleviation Paradigm

Development theory in the first decade of the 21st century has been largely fragmented, from Gore's detection of a southern development consensus to the United Nations sustainable development approach (See Gore, 2002). In this theoretical fragmentation, however, there is an emerging regional clustering, slightly different form of Gores (2000) Southern Consensus but nevertheless, a convergence of global south emerging economies such as the BRICS (Brazil, Russia, India, China and South Africa) bloc. Russell (2010) notes the re-cycling of dependency theories, and thus an emerging re-tasking of the state to intervene in creating

development possibilities. Russell (2010) also sees a new theoretical bud which focuses on equalizing development processes and not necessarily outcomes.

The above said, more innovative theoretical efforts are required to resolve new development challenges which characterise the 21st century. One of the potentially effective theory is the emerging intergenerational poverty school, with scattered labelling of this school as a paradigm (see Saith and Wazir, 2010). A simple Google search of the phrase ‘intergenerational poverty’ yields hundreds of academic papers, articles as well as posts on the subject. To a limited extent, this might suggest an increasing popularity of the subject. Consisting of universities, research institutes and Non-government Organizations, the Chronic Poverty Research Centre (CPRC) is a leading architect of this emerging school.

Two schools of thought are traceable in intergenerational poverty literature. On the one hand is the deterministic life cycle position (see Ham *et al.*, 2012) which considers IGP as ‘given’ while on the other hand is the life course theory which Clark and Dieleman (1996) explain as the individualised experience of the sequence of life events. –or what Dykstra & van Wissen, (1999) refer to as unique personal biographies. The Life course theory further holds that life sequence can be summarised into four major courses namely (i) household (ii) labor force (iii) education and (iv) housing, all of which influence residential mobility of individuals. Concurring with the Life Course theory, on her part, Keister (2007) sees adult wealth ownership as a consequence of behaviours learnt from a young age, concerning fertility, the timings and ordering of marriage, educational aspirations; job related outcomes as well as saving habits. Although Keister locates her argument within religion and wealth discourse, she does point out that these behaviors are learned from families. After all, religion orientations and practices have their base within households. For Piketty (2014), wealth ownership goes beyond acquisition to bequeathing. Infact, Piketty (2014) argues that inherited wealth produces a specific and different form of capitalism from wealth acquired through hard work. Piketty (2014) also notes that inherited wealth might be more productive in terms of returns than wealth acquired through labor. Although Vakmin (2014:4) dismisses Piketty’s thesis, concluding that “such claims have more to do with seething envy than with scholarly erudition”, Piketty’s work opens an important discussion, of which the emerging school need to do further deconstruction. Vakmin (2014) would do well to clarify how seething envy applies to an otherwise important line of inquiry.

It is unclear which should be examined

Considering its strengths, the IGP School is empirical, and therefore less ideological like its predecessors such as the dependency theories or the Washington consensus (See Theptonio, 1971; Hatton-Yeo and Watkins, 2004). This evidence based character provides a better possibility of achieving meaningful development (Bird and Higgins, 2011).

Any meaningful rendition of intergenerational poverty can only be made if the broader context of intergenerational transmissions of socio-economic, cultural or even religious factors is kept in perspective. Transmission of socio-economic factors functions in a profoundly complex scheme than transmission of biological factors (Bird and Bird, 2009). This is because socio-economic factors are formed and transmitted within profoundly interactive endogenous and exogenous topographies. Second, this position is interested in the expanse and depth of poverty, and less interested in geo-politics of poverty, a salient factor in previous paradigms (Bird and Higgins, 2011). Third, the IGP school is holistic, and covers management of economic, social as well as environmental capitals, and effectively transmitting these capitals for future generations benefit whether in developed or developing countries (Bird and Bird, 2009; Bird and Higgins, 2011; Hatton-Yeo and Watkins, 2004). Stated differently, this philosophy is not a developing country diagnosis, and, it interested in long range interventions wherever poverty is found. Fourth, it allocates duties to the state and the markets alike, and by so doing it conciliates the otherwise dichotomous tendencies of previous development theories.

On the weaknesses, the IGP paradigm fails to prescribe solid recommendations on how intergenerational poverty could be terminated (See for example Hatton-Yeo and Watkins, 2004; Bird and Bird (2009) Bird and Higgins, (2011). It is more interested in finding how intergenerational poverty takes place, more than how it could be terminated or prevented. Second, while the lack of political framework does suggest legitimacy, it is also a fault line in that globalizing the IGP agenda requires political channels. There is no clear political champion for this school. Third, IGP is essentially a quantitative enterprise, with negligible qualitative traces. This is a significant disadvantage on the part of developing countries, which either do not have the resources to address IGP, or the data, or both. The implication is that, unfortunately, developing countries will be forced to rely on developed countries for

support and assistance, in spite of the criticisms around the dependency nature of the relationship between developed and developing countries. Fourth, the discourse might be taking a wrong turn by the dominant usage of the term intergenerational poverty rather than intergenerational development. Intergenerational development might yield different results, especially because it moves beyond diagnosis of poverty as intergenerational, to intergenerational creation and distribution of wealth. Intergenerational development should be conceptualised on a broader sense than Hatton-Yeo and Watkins (2004), who use the term in reference to existing although different generations (thus they talk of ensuring that the young and the old are considered as development beneficiaries).

Clearly, therefore, more than a decade after the impasse declaration, intergenerational development has been theorised in disproportionately limited sense, compared to the defences and re-inventions of neo-classical Meta theory. This thesis exhorts development economists to move intergenerational development from its shadows to the mainstream, as an alternative paradigm in development literature. To conceptualise development outside inter-generational milieu is to descend into the same theoretical chasm where development theories for the past half century mainly abide.

What is more, when considering future generations, literature and practice alike, have tended to focus on transmission of poverty, and not necessarily transmission of poverty traps. These two, the study argues, are different. Transmission of poverty traps refers to bequeathing of deep structures such as illiteracy, poor health, poor social development and the like (see for example Bird and Bird, 2009; Rose and Dyer, 2006). To be fair, there are more attempts to understand how these traps relate to intergenerational poverty (See Hojermark, 2007; Patterson, 2000; Moore, 2005; Moore, 2001), except that often these efforts do not seek an understanding of how these traps occur, under what conditions and the kinds of forces which shape their intergenerational resilience.

Also, importantly, intergenerational development should not be treated from a mere ‘imagining’, rather from a planning point of view. This resonates with the findings of this study, that poverty in South Africa, as it is in many other parts of the world is intergenerational. So should be development. South Africa’s (and global) development policy debates needs to go beyond pro-poor and pro-market, and give way to intergenerational approaches.

2.3. CONCLUSION

This chapter looked at the thriving arguments on the causes of poverty, from various schools of thought, as well as intergenerational poverty in major development theories. On the causes of poverty, the chapter presented six theoretical positions as follows.

First was the classical Malthusian Theory, which attributes poverty to cultural practices and beliefs. It further considers the victims of poverty as mainly responsible for their poverty. Robert Malthus, the author of this perspective, distinguished between what he saw as the rational poor and the perverse poor, the rational poor, according being victims of unavoidable accidents or situations which plunged them into poverty, while the perverse poor are those who have rejected moral education, and therefore remain ignorant and morally depraved.

Second, the chapter examined the Classical Marxism theory, which understands poverty from the nature of capitalism. That is to say, poverty is rooted in class conflicts, which are always engaged in cyclical yet contradictory patterns of capitalism. According to this school, the poor are the elemental class of the society, uncontaminated by the civil society. Societies according to this school are reflective of class struggles, mainly between the bourgeoisies and proletariats.

Third, the Critical Marxist contends that poverty is a by-outcome of the capitalist modes of production. It goes on to assess how poverty reproduces itself after it has been caused by contradictory capitalism. This school considers the poor people as designing their own adaptive practices as a problem solving technique.

The fourth theoretical school presented in this chapter was the neo-classical theory of poverty, which views from the premise of individual responsibilities and what Harvey and Reed (1992) refer to as subjective utilities. For this school, the remedy to poverty lies in equipping the poor with skills, changing their socialization behaviors and re-orientation of their values and acts.

Five, the cognition depletion School was examined. This school considers scarcity as resulting from 'bandwidth overload' contenting that the pressure to make a tough decision promotes a linear vision, which lends itself to the situation at hand, consequently crowding out other important decisions. That is to say, people tend to over-focus on a particular scarcity to the detriment of their other functionings.

On intergenerational poverty discourses in the main development theories, the chapter found that by and large these theories are essentially interested in macro focuses, and therefore articulate intergenerational development on country level. By so doing, intergenerational development on household level is, in the main, understated.

An argument on the recycling of development impasse has also been noted, especially on the basis that development challenges have remained the same over a long period time, and in some quarters they have worsened. This, as the chapter pointed out, might suggest an ongoing theoretical bankruptcy as far as development theory is concerned. As a solution to this theoretical dearth, the study drew attention to an emerging paradigm, intergenerational poverty, and the need to move this theory to the centre of development debates.

CHAPTER THREE: POVERTY, WEALTH AND THE INTER-GENERATIONAL TRANSMISSION PROBLEMATIQUE.

3.1. INTRODUCTION

This chapter deals with intergenerational transmission of wealth and poverty, as evident in literature. The first section will problematize the intergenerational concept, while section two threshes out the factors which influence poverty transmission. Here issues of ‘access’ are discussed, where transmission of access to productive assets is mainly considered as a critical poverty alleviation factor. Also, constraints relating to household composition and human capital within the household are noted. In the same section, genetic factors, family traits and spatial factors are examined. Section three takes on the task of demystifying households. This is done through clarifying the definition of a household and consequently posing questions which relate to household identities. Households, the section will contend, are development institutions and should be considered as intervention points. Section four treats issues of the global middle class while section five refines focus on South Africa’s black middle class.

3.2. PROBLEMATIZATION OF INTERGENERATIONAL POVERTY

Analysis of intergenerational poverty transmission mainly involves rigorous quantitative techniques, which are not only monotonous but also redundant. A case in point, using stages of progress retrospective methodology, Krishna’s empirical work on IGP (2011) analyses data collected in the same villages over a period of 33 years (1977-2010). Yet this might still not be sufficient time span to assess intergenerational trends (considering that thirty years represent only a single adult generation). Thus Hobcraft (1998:5) has affirmed that “...it is extremely rare to have the opportunity to examine the life-histories of a nation-wide sample of children as they unfold from the time they are born through to adulthood”.

Consequently, researchers have tended to agglomerate around short span research objectives mainly due to short term interests and intentions of research donors. These short term research intentions are in part influenced by the need to demonstrate the tangible use of funds. As a result of the long time span nature of IGP, therefore, the knowledge of Intergenerational poverty, according to Krishna (2011) is still evolving.

In this evolution, there are many studies which forge forward with explaining the process and factors which interact in intergenerational poverty transmission; few are concerned with explaining what intergenerational poverty really is. Without validation of their argument, for example, Van Ham, Hedman, Manley, Coulter and Osth (2012:3) cite that not only are the links of fortunes between parents and their children apparent, but also “...individual characteristics, such as labour market earnings and educational attainment, correlate strongly between parents and children”. This view is also shared by Keister (2007) who contends that wealth has the potential to extend educational attainment, occupational opportunities, political influence and social advantages into future generations. According to Keister, Wealth is often concentrated, making its mobility (outside a given household) rare simply because it is transmitted trans-generationally. What Keister suggests is that, the likelihood of a wealthy household to become poor in the next generation is comparatively low.

This is not to say, however, that the IGP concept is obscure, far from that. Although the bulk of IGP literature aims to explain the dynamics upon which IGP thrive, many authors do articulate the concept, even in the absence of a clear definition. For example, by suggesting that poor children are likely to become poor adults and effectively transmit this poverty to their children; Jenkins and Siedlar (2007) clearly account for transmission of disadvantage from one generation to the next. Others such as Bird and Higgins (2011:4) prefer to focus on process issues, noting that IGP is the “...private and public transfer of deficits in assets and resources from one generation to another”.

Any meaningful rendition of intergenerational poverty can only be made if the broader context of intergenerational transmissions of socio-economic, cultural or even religious factors is kept in perspective. Transmission of socio-economic factors functions in a profoundly complex scheme than transmission of biological factors. This is because socio-economic factors are formed and transmitted within profoundly interactive endogenous and exogenous topographies. Thus Bird and Bird (2009:1) note that, “... poverty is not transferred as a ‘package’, but as a complex set of positive and negative factors that affect an individual’s chances of experiencing poverty, either in the present or at some point in their lives”. Further on complexity of trans- generational transmission of socio-economic factors, Hobcraft (1998) focuses on three indicators in determining IGP. These indicators include family experience, childhood poverty and contact with police all of which have tendencies to thrive through generations. By this token, Hobcraft’s argument suggests that if an individual

experiences childhood poverty, or has conflicts with law enforcement; these experiences are likely to play themselves out into the adult life of the individual in question. There is of course a thin line between the foregoing, and the specific factors which govern poverty transmission. Below the study will refine focus to these specific factors.

3.3. POVERTY TRANSMISSION FACTORS -DEBATES AND DISCONTENTS.

3.3.1. Access to Assets

Bird and Bird (2009) point out that poverty transmission occurs either in form of private capital such as parents investing in education of children or public resources such as taxing older generation to subsidise education for a younger generation. The latter is of course a compliance question while the former is a choice. In a different paper, Bird (1997) holds the view that the access to material and social resources is probably more important than household composition in terms of inter-generational transmissions. A more analytical view would categorize between productive and non-productive assets, thus modifying Bird's argument to mean access to *productive assets*. Reverting to Bird's dichotomization of household composition versus access to resources, it could be argued that this dichotomy misrepresents the linkages of these two factors.

A decade after Bird's argument, Smith (2006:3) implicitly makes connections between household composition and access to assets. Admitting to "...differential access to and control of resources and the returns on those resources; unequal investments in the human capital formation of household members; and unequal distributions of leisure and labour time", Smith (2006:3) underscores the significance of the 'resource access' question. Rightly so, Smith's definition of assets goes beyond tangible to non-tangible assets, considering leisure as part of human capital assets. In this light, the availability of social assets goes a long way in overall human development, effectively providing an opportunity for a more effective labourer. Smith has however not clarified how more labour time (than leisure) impacts on wealth or poverty transmission. To argue that imbalanced labour versus leisure time is a poverty transmitting factor is somewhat unsophisticated, given that entrepreneurs tend to work long hours yet with positive wealth outcomes. It is therefore important to distinguish between 'employee long working hours' from 'entrepreneur long working hours'.

Others authors such as Piketty (2014) have differentiated between income derived from labor and income derived from capital, of which, at least as it concerns Piketty, the latter provides better possibilities for intergenerational wealth accumulation. Although Piketty (2014) provides more theoretical than empirical evidence on how modern capitalism seems to move back to the past, that is, more accumulation of capital based on inheritance than on labor, this line of thought suggests that inherited capital potentially provides a head start to individuals. Here Piketty (2014) differs with the neo-liberal Peruvian economist Hernando De Soto (2000) in that he does not focus on which assets are owned by individuals, he prefers to pose a qualitative question, on how these assets are acquired-by labor or by inheritance. Also, Piketty (2014) conceptualises inheritance from ‘capital’ point of view, and by so doing, he unfortunately falls into a blind spot syndrome, where he fails to see that in many cases, labor can also be inherited. Thus, access to assets is not the *sine qua non* quantum to wealth, access to the capability for assets access is also (if slightly less) critical. It follows that lack of access to assets, and the lack of the capability to acquire assets can potentially shape intergenerational poverty in a fundamental way.

3.3.2. Household Composition

Smith (2006:3) attributes IGP to “...non-cooperative household decision-making processes, conflict and household disintegration, differentiation based on social status (e.g. gender, age, mental or physical impairment, relationship to household head, birth order etc.), alcohol and drug dependence, and mental ill-health” (Smith 2006:3). Some issues such as what Smith terms as ‘non cooperative household decision making processes’ as well as conflict and household disintegration’ are in fact household composition dynamics, and in Smith’s view as equally important to access to productive resources.

In further demystification of the IGP topography, authors such as Haveman and Wolfe (1995) present evidence that the human capital of the mother is more influential on the educational attainment of the child than the human capital of the father –although they have taken the definition of human capital as given. On her part, Bird (2007) distinguishes between household and what she refers to as extra household factors. The household factors, according to Kate include access to productive assets; quality of parenting and socialisation; early exposure to violence; fostering, adoption and orphan hood; child-headed households; role of older people; early childbearing; education and skills acquisition; and child labour

(Bird, 2007). Bird's 'extra-household factors' are conflict; cultural and psychological factors; class and caste; religion; ethnicity; economic and political structures; institutions and opportunities (See Bird, 2007: V -Viii). Charles and Hurst (2003) as well as Keister (2007) do not seem to agree with Bird's perspective. They argue that savings and labor market of both parents and children are learned, thus suggesting that the line between household and extra household factors might not be as clear.

For example, Keister's work on religion and its role in intergenerational wealth transfer (2003a) cannot be interpreted to suggest that religion takes place outside the household. Religious practices after all, are first introduced in a household context to children, and reinforced by religious organizations. Keister (2007) makes reference to the household size question, positing that wealth accumulation tends to decline after the second child, simply because of increasing household expenses. In similar fashion, Hobcraft (1998) points to the variations of poverty transmission, citing that income and employment among women is influenced by motherhood – the timing of motherhood as well as the spacing of children. While Bird's distinction is useful, her assumption that these categorizations function independently of each other is in itself a fundamentally linear assumption. For example, socialization, education and skills acquisition as well as institutions and opportunities are highly interactive processes, although Bird would rather have them separate. Bird also assumes that households are not institutions –but aren't they?

3.3.3. Genetic Factors

From a rather doctrinaire fashion, Herrnstein and Murray (1994) argue that intelligence (which they see as a critical determinant of socio-economic status) is genetic. By implication these authors seem to suggest that socio-economic status is predictable based on the intelligence genetic factor of parents. This argument faces three problems. First, it adopts a 'household determinism' approach, effectively dismissing the function of supra household social, political and economic processes which ultimately determine social-economic status of an individual. Second, it does not dis-assemble the timelines for intelligence. For example, parents might exploit their intelligence potential at a later stage in life, in which case the children will have gone through a rather poverty characterised 'incubation' period. Third, children may possess their parent's intelligence, but due to wrong choices or even household

economic shocks, fail to translate this intelligence into economic wellbeing. For example, a child may be naturally intelligent but opt to drop out from school for reasons such as drugs. This situation is likely to recycle poverty to the future generation, even though the parents as well as the child in question, by definition possess intelligence.

3.3.4. Family Based Entrepreneurship

Pistrui, Murphy and Deprez Sims (2010) cite entrepreneurship as a critical factor in creating what they term as transgenerational Family Effect (TFE). In their analysis of 414 cases of entrepreneurial dynamics, these authors found that on family businesses on average last for 24 years, and, about a third of them survive to the second generation. They also note that managerial and financial control of family businesses tends to create consistency which does not exist in non-family businesses. Due to survival interests of the entrepreneurial family, knowledge and goals are easily passed within members of the household, while in cases of non-family business employment the space is more open for individual choices. Pistrui, Murphy and Deprez Sims (2010) conclude that the interaction between family units, businesses and individual family members creates conditions and constituencies which influence the performance of family businesses. They further argue that these constituencies or conditions “...encourages environmental alertness to profit opportunities and fosters individual and family-based need for achievement. It fosters growth and learning orientations in a family and in the business.

In particular, the TFE fosters two distinctive conditions. First, there is an entrepreneurial drive to create transgenerational wealth. Second, there is a commitment to family traditions despite changes in family structure over time” (Pistrui, Murphy and Deprez Sims, 2010:5). Also, the dynamics of family businesses go beyond values and traditions of the entrepreneurial family. While the family members involved in a given business strive to maintain the vision and goals of the founding family member, they bring independent traditions which are not necessarily family traditions (See Pistrui, Murphy and Deprez Sims, 2010). Non family employees into the family business introduce a different dynamic into the businesses, on one hand supporting the founding family vision, but also introducing independent non family traditions (Ibid). These interactions not only create sustainability of the business, but also extend its lifespan beyond the first generation.

The transgenerational character of family businesses does not suggest that businesses survive outside sound economic principles. In other words, they do not thrive simply because they are family businesses. Far from it. Herbershon and Pistrui (2002) draw attention to the fact that the transgenerational survival of businesses obligates businesses to achieve market based returns on their investment. That is to say, businesses need to be competitive and therefore generating market based profits. This performance according to Teece, Pisano and Shuen (1997) is based on factors beyond who plays the game, but the assets involved in the game, and the strategies used to the use of the assets. This argument is consistent with Herbershon and Pistrui (2002) view, that management of family businesses is a highly complex exercise, especially because they involve management of social affairs, over and above economic ones. Family business management is therefore a typical case of a highly integrated system. The interaction of these 'system parts' has been described as often tensed and conflicting (See Ibid).

3.3.5. Spatial Based Factors

Moving away from household intergenerational poverty transmission, there is a body of literature –albeit limited- which suggests that spatial factors play a fundamental role in sustaining transgenerational poverty. In other words, living in a particular place pre-disposes a particular individual towards inheriting neighbourhood characteristics some of which include poverty. “The idea is that children who grow up in poverty concentration neighbourhoods” argue Van Ham, Hedman, Manley, Coulter and Osth (2012:3), “might be more likely than others to end up in such a neighbourhood as adults”.

Although literature on urban geography does not seem to explicitly affirm Van Ham *et al.*, 's view, a closer investigation reveals that the dynamics in urban geography do generate transgenerational poverty character. Grant (2010:5) has made a useful contribution towards poverty traps in urban areas. In his work titled *spatial inequality and urban poverty traps*, Grant presents three main features of urban geography, as follows.

First is the urban ecology framework which contends that urban centres are not random creations, they are rather established in response to strategic advantageous environment, with the intention of taking advantage of the surroundings environs. Availability of supplies and raw materials could form part of the motivations for establishing urban centres. Inevitably, as Grant (2010) argues, neighbourhoods agglomerate around the commercial centre in what

Grant refers to as ‘concentric rings from the centre’. These ‘concentric rings’ include downtown residential areas.

Second, Grant draws attention to urbanism studies, which accept that the “...density of social life creates distinct neighbourhoods. Yet these neighbourhoods may retain the character of small communities, for example immigrant areas may retain traditional types of social interaction. Over time, such distinctions decline as different groups merge and are absorbed into different neighbourhoods” (Grant, 2010:5). Contrary to Grant’s view, it could be argued that Grant’s ‘declining distinction’ does not always take place. Social interaction among various groups tends to last for generations. In the main, poor neighbourhoods constitute of low incomes and poor quality services such as education and health, and therefore households are potentially locked into this cycle.

Third, and critical to this study, Grant points to the fact that urban centres reflect spatial manifestations of social forces. Cases in point, taxation systems determine who is able to build, buy or rent where, while governments regulate which kinds of buildings should exist in which particular area. Urban centres therefore reflect undercurrent social and economic systems, and as such, “...wealth and power concentrate in some areas and sectors, [while] others are left to decay” (Grant, 2010:6). Importantly, the areas left to decay are not just abandoned areas; rather, poor populations interact socially on an on-going basis. The culture and traditions of these neighbourhoods are passed on from one generation to another. Infact, it could be added that these traditions and cultures create a contentment framework, so much so that leaving the neighbourhood become social and emotional disconnects. In other words, the ordinary becomes the normal.

Hulme, Moore and Shepherd (2001) have summarised all the above factors, into five broad themes, namely, financial capital, human capital, natural capital, socio-cultural capital as well as socio-political capital. In this analysis, the various types of capitals can either be negative or positive. For example, inheritance and bequests could positively influence the next generation, while debts and environmental degradation can result to a negative influence on the next generation’s well-being. These authors also contend that transmission of the various capitals operates within given structures. This is illustrated below.

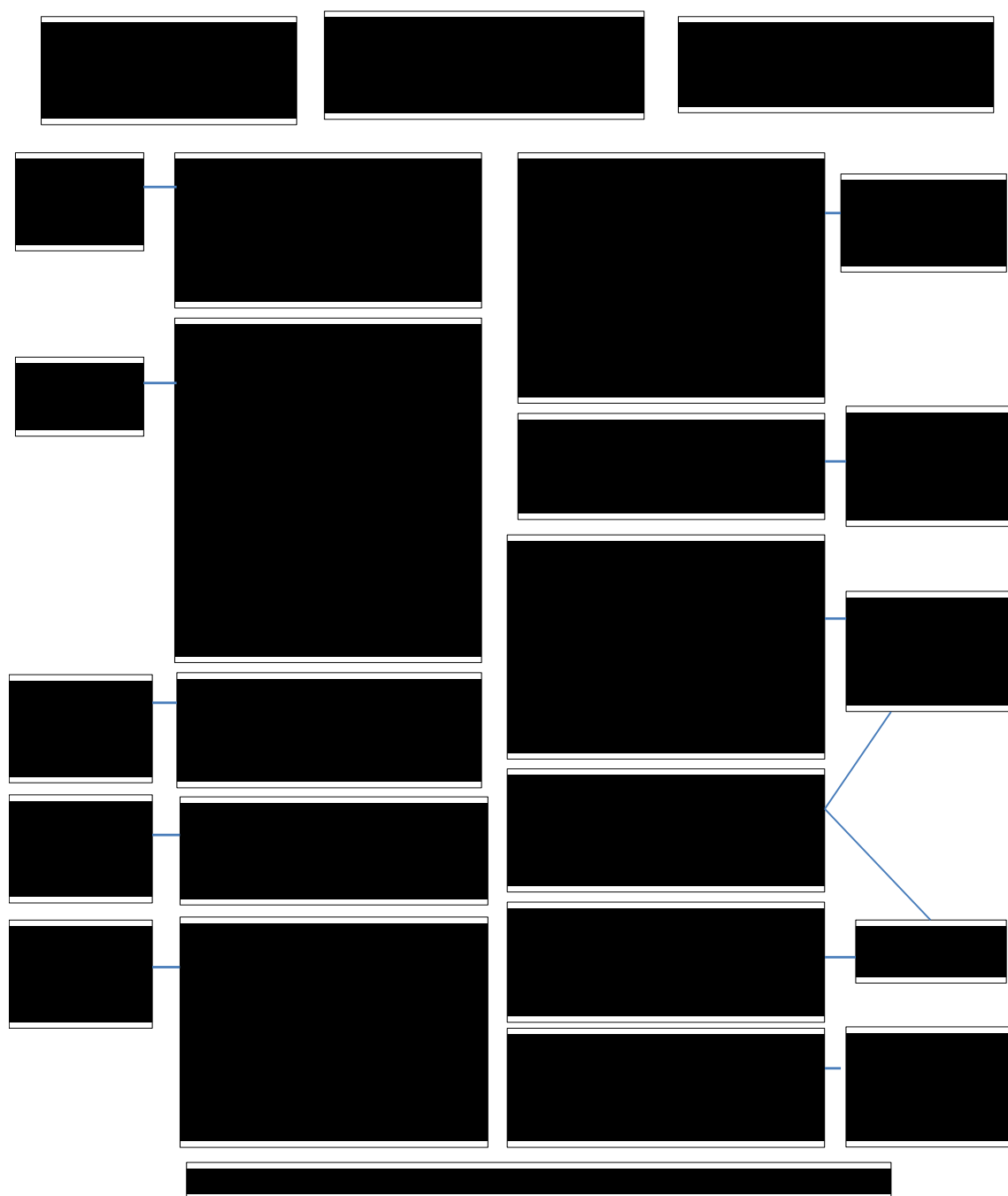


Figure 3: Transmission of Various Types of Capital

Of interest is that, Hulme, Moore and Shepherd (2001) pick up non-conventional factors such as attitudes and character, government services as well as community status such as family name, race, language, etc. and by doing so they attribute well-being to culture, government capability and performance, as well as perceived advantages such as family name.

Another non-conventional factor presented by Hulme *et al.*, (2001) is a poverty coping strategy. The transmission of coping strategies from one generation to the next can either assist a household to manage adversities or trap the given household in poverty (Hulme *et al.*, 2001). For example, if a household uses basic goods credit from a nearby long term supplier, the next generation can pursue the same strategy, even when the need for credit might not necessarily exist. These sorts of unique household (intergenerational) dynamics are rooted in household value systems. And, they function often regardless of occupational or social mobilities. The question of occupational systems and social mobility, and the continuum of household traditions are explored below.

3.4. DEMYSTIFYNG HOUSEHOLDS IDENTITIES AND BEHAVIORS

3.4.1. Households Identity-A deconstruction

3.4.1.1. The concept of a Household

Like family, households are constituencies found in all cultures (Pistrui *et al.*, 2010), except that unlike families, household members are not necessarily biologically related (Jenkinson, 1998). While families are related by blood, family or adoption, households according to Jenkinson are made of "...one person living alone or a group of people, who may or may not be related, living (or staying temporarily) at the same address, with common housekeeping, who either share at least one meal a day or share common living accommodation" (1998:1). The differences between the two effectively generate differences in terms of vision, goals and values of each of the entities. Going by the above definition, families can be considered as households, while households might not necessarily be classified as a family. It might be therefore important to distinguish between family based households and non-family based households.

Comparing the moral, economic and cultural character of households, with the same in a family, arguably, the difference exists only in terms of the extent rather than the possession or lack of it. This to say, just as family based households hold moral, cultural and economic character, so do non-family based households, except that in the case of non-family based households, these bonds are not as strong as a family based household setting. Suffice to mention that the dynamics and diversities of a non-family based household produce varying and unique constituencies. Arguably, majority of non-family households are 'scaled down' family based households considering a limited extent of accountability, expenditure and

income sharing, etc. As far as Pistrui *et al.*, (2010) are concerned the above are basic characteristics of a family. Pistrui *et al.*, (2010) further presents the following character of a family.

“First, it plays an economic role; as a basis of learning about economic activity, it accomplishes the teaching of skills to members. Second, family provides a moral system that promotes certain codes of conduct. The moral aspects of a family balance ideas with realism in a social context that is subordinate to the larger societal structures in which it is embedded. Lastly, a family creates its own culture. As a family adapts to a changing environment, it builds networks based on emergent needs. In this anthropological setting, family is the harbinger of motivating forces for enterprise formation and development” (Pistrui, *et al.*, 2010:6).

The foregoing description does not suggest that families operate in a vacuum. It however seems to conclude that families play a profoundly central task in shaping economic practices. This argument further suggests that any meaningful development intervention might need to be based on households. In practice, though, household based interventions are deeply intricate. Many countries go only as far as provision of grants. The difficulties in implementing house based development, this study argues, is based on unresolved questions as to the extent in which households are development institutions. The following sub-section further explores this issue.

3.4.1.2. Households as Occupational Constructs

As far back as the 1980s, authors such as Caplow observed the close relationships between occupational systems and middle class households (See Caplow, 1984). In Caplow’s view, households prepare individuals for occupational duties, and in many cases households function as occupational spaces through provision of housekeeping jobs (Ibid). In this way, the two systems are mutually reinforcing. Notwithstanding, the values of both systems are fundamentally different. For example, households are governed by what Caplow (1984) considers as secrets, adaptedness to family enterprises and closed parameters to outsiders while occupational systems are founded on skills, roles and responsibilities. Stated differently, occupational systems are primarily economic and secondarily social (although where the social aspects compete with economic aspects, economic considerations take precedence. Households on their part function as social, economic and emotional systems.

In the efforts to demonstrate how household systems become depleted by occupational systems, Caplow (1984) argues that continuity of a household largely depends on social status, which is largely a function of increased income. Households, contends Caplow (1984), thrive on immobility. Along this vein, he posits that when members of the household are forced to move out, to take up employment, the extent of loyalty effectively diminishes. This is to say, their social and emotional security becomes progressively dis-embedded from the household system, and as a consequence, commitment to traditional values take a new shape, modelling after new experiences and embeddedness of a different setting. Moving out of a given household to urban occupations also exposes individuals to secular influence, which often stands in contrast to customary traditions which hold together a household system (Caplow, 1984). Caplow is however quick to point out that although household ties are weakened in the context of the aforementioned occupational factors, these ties are never fully severed.

Caplow's (1984) arguments are enlightening, especially in an area which has been largely neglected. Importantly, though, two issues emerge from Caplow's (1984) presentation. First, the view that households are the 'cause' of occupational preparedness is misleading. While households form a critical part in preparing members for occupational duties, they do so only in part, considering other systems such as school or college systems, social contexts (within which schools and colleges are founded), technologies which shape new world views, among other factors. In other words, reducing occupational capabilities to household functionality partly misses real life experiences. Second, the question of diminishing household loyalty (resulting from occupational influences) is *mainly* applicable in western societies, which Caplow was concerned about in his book titled 'Sociology of work'. African societies reveal a fundamentally different character, considering that household loyalty is not just a customary practice based on history; it is a necessary practice for majority of households. This is if we consider that, members of the household who move on to non-household occupations retain a traditional and moral obligations to support the less fortunate members of the household. In this way, the new dynamics reinforce household loyalty if in a different way.

In terms of the character of middle income households, although Caplow (1984) suggests that they generate their own value codes such as personal achievement, and occupational performance, it needs to be understood that this practice is mainly consistent with

individualistic western cultural practices. In Western traditions, the currency placed on personal achievement and occupational performance goes beyond middle class values, to the way in which the western society considers as a model for success. Often these values overshadow the family factor, such that even in a dysfunctional family, an individual with successful occupation is still, highly esteemed.

The foregoing suggests a closely knit network between middle class households, and their generational 'roots'. Even more, close network exists between individuals who go on to establish their new (middle class) households, and their previous household (usually with the father as the head of households) whatever their social status. Worth noting is that, some values and attitudes and social world view might not change with changing occupations and incomes. For example, in a number of cases, middle income households do not see the overwhelming need to relocate from their parents neighbourhoods. There are also numerous individuals as well as households, who could be considered as middle class in terms of occupation and income, yet they have less regard for a clean and neat environment. Additionally, the notion that all middle class individuals share similar lifestyle, does not suggest by any means similar attitudes and culture.

3.4.1.3 Households as Development Institutions?

Development literature gravitates around institutional quality and behaviour, suggesting that development is ultimately an institutional question. Thus Seidler (2011) and Goldsmith (1998) conclude that weak institutions explain poor economic performance in Africa, Chang (1998) sees institutions as critical redistribution agents, Foa (2008) contends that institutions enhance human capabilities and freedoms, for Cervellati *et al.*, (2005), shifting inequalities are outcomes of institutional dialogue; and the list goes on. These arguments represent micro institutions such as households (See Ellickson, 2003) as well as global institutions such as multinational corporations (See United Nations Department of Economic Development and Social Affairs, 1973).

Thus explaining poor performance of developing economies, economists such as Khan (undated) hold state failure to account, contending that state failure disguises the failure of sub-national governance institutions, and when this is not the case, it represents "...the incompatibility of institutional capacities with pre-existing distributions of power" (Khan, Undated; 1). Khan's view is consistent with the die-hard debates on the state versus the

market, their capabilities and failures as well as their role in development practice. The foregoing arguments ultimately point to the importance of institutions in development policy and practice. In fact, many development players conclude that development failure is institutional failure. By this token, the development enterprise demonstrates some tendencies of institutional obsessiveness.

More-over, in retrospect, development theories have dedicated much effort to explaining the role of institutions in development discourses. First in the development stage was Rostow's modernization approach to development, which suggested a template of five stages of economic growth – traditional society, pre-conditions for take-off, take off, drive to maturity and age of high mass consumption (Parr, 2001). Criticisms which emerged in response to Rostow's theory posed institutional questions, expecting Rostow's approach to explain whether it was operating as a national or regional discourse (Parr, 2001). Also, the high mass consumption stage reflected expanded social welfare programmes and, improved education as well health (Parr, 2001) all of which are institutional functions.

The 1970s saw progressive replacement of the modernization theory with dependency theories which as Hoff and Stiglitz (1999:111) observe, "...viewed underdevelopment in terms of international and domestic power relationships, institutional and structural economic rigidities, and the resulting proliferation of dual economies and dual societies both within and among the nations of the world". Dependency theorists diagnosed development problematiques from an institutional view, pointing out information asymmetry and global politics as critical constraints. The solution to underdevelopment, according to the dependency theorists, was to be found in balancing production and consumption powers between the centre and periphery –the most powerful and the dependent.

It is however the advent of neo-liberal economics which has mainstreamed institutions in development, ironically, by dismissing them. The neo-liberal thought revives the work of Adam Smith and his intellectual descendants such as David Ricardo, Richard Cobden and John Bright (see Thorsen, 2009). Controversial as it is –see for example criticisms by Moyo (2009), or even Stiglitz, (both who worked for the World Bank and turned against the organization's ideologies)- the neo-liberal school has become the most dominant theory of development, with its main tenets revolving around the rolling back of the nation state. Neo-liberal school attribute underdevelopment to what they see as inefficient nation states. This

view is of course redundant, and largely out of steam –yet it has monopolised development theorizing into the 21st century. The agenda to roll back the state is seen as an opportunity for the state to pave way for the market as a more efficient institution (See Quiggin, 2005), as far as neo-liberal theorists are concerned.

The foregoing argument identifies institutions as important in development, except that institutional enthusiasm generated by development literature has not been accompanied by thoughtful interrogation of the character of institutions and their connectedness with systems which embed these institutions. Thus development economists assume that institutions simply happen, that they can be re-engineered to suit particular ends, and that their functions can be ‘caused’ through this re-engineering. Yet this institutional deification has not resolved the development question in any significant way. This is not to say that institutions are not important-far from that. The argument made here rather puts forward the view that development economists continue to struggle with the right forest, but the wrong trees-that is, intra-institutional dynamics are often poorly diagnosed.

Importantly though, and perhaps to serve specific intentions, development analysis has tended to agglomerate mainly around specific institutions namely, (a) the nation state (see for example leading authors such as De Soto, 2000; Chang and Grabel, 2005; as well as Bebbington *et al.*, 2008) and (b) the markets –mainly factors and rules surrounding the firm (See Spulber, 2009; Porter, 1985, Schumpeter, 1955). The household institution has been treated as an extension of the state or markets –or what could be referred to as a shadow institution.

Rightly so, Matilla-Wiro (1999:iv) laments that “...review of the theories of the household shows that no particular approach is sufficiently advanced to dominate the field of household economics” and that the notions and concepts used in attempts to understand households are borrowed from the theory of the firm or international trade. Carr (2005) offers a scathing criticism of existing tendencies to assume household functions as a given, and by implication analysis of household constitution is largely vague. Carr’s view is that, household composition and behaviour should not be considered as collective, rather, intra household dynamics should be placed in perspective.

Donni (2008) has already dismissed the unitary notions of the household, which suggest that decision making in single person household and multi-person household follow similar

process and outcomes, and that in a situation of budget constraints households act as a collectively rational manner. Donni's dismissal (2008) of the unitary perspective draws from arguments made by (a) the Nash equilibrium theorists, who argue that each household member potentially makes decisions taking into account the decisions of other members (b) Pareto-efficiency school which suggest that resources are allocated in the most efficient manner –even if it means empowering one person at the expense of another at a given time. (c) the Rotten kid theorem which contends that, by linking incentives to another household member's well-being, a mean household member can work towards the collective benefit. Yet all these theoretical positions fall short of explaining realities and dynamics which operate within the household.

The Nash equilibrium for example assumes that all decisions are made responsibly, and are representative of broader household interests. Nothing could be further from the truth. There is sufficient evidence to suggest that some decisions made by household heads hardly account for the well-being of the entire household. On Pareto-efficiency, priorities and efficiency are sometimes as diverse as there are many household members, and that resources are not always allocated in the most efficient manner. The rotten kid theorem might be useful to understand households with particular traditional values and outlook, but less valuable in the efforts to understand modern households decision making processes. The following subsection will expand on the organizational decision making theme, and the discourses which surround organizational decision making.

3.4.2. Soft Systems Methodology and its relevance in understanding Households

Soft Systems Methodology (SSM) is an offshoot of Systems Thinking, which focuses on how human relationships interact. SSM was developed at Lancaster University in 1970s by Peter Checkland and his colleagues. It is a variant of hard systems methodology (HSM), which Checkland (1981) considers as applicable to engineering systems and therefore characterised by structured systems. SSM seeks to facilitate improvement of complex problem situations Checkland (1981) further distinguishes SSM from HSM by referring to SSM as a learning paradigm, as opposed to HSM which he sees as an optimization paradigm. The difference between learning and optimization is that, while learning depicts an always evolving character, optimization reflects a more predictable system. As an action research methodology, SSM seeks to improve otherwise complex human problem situations (Holwell,

1997) and, while hard systems seek to define the objective of a given organization, SSM is more interested in the *process* of dealing with messy human problems (Schmidt, 2006).

Schmidt (2006) goes on to identify five main characteristics of SSM, as follows:

- (a) SSM seeks to facilitate and provide accommodation of conflicting perspectives and effectively taking a purposeful action. This exercise leads to learning which in turn creates a new situation. This new situation potentially yields a need for another SSM exercise, which further produces a new situation. And so, in a domino effect process, new situations keep on being created.
- (b) SSM also aims to manage change in an effective way. This suggests the intention to achieve organized action.
- (c) SSM acknowledges the importance of metaphors in understanding problem situations.
- (d) It also aims to define purposeful actions as new systems. In doing so, SSM differs with hard systems, which contend with specific systems (or objective models).
- (e) SSM is a highly participatory process, which seeks to represent lived yet evolving experience of multiple observers.

Schmidt presentation above weaves Checkland's 'fourth wave' of SSM as argued in (Checkland's) 1999 work *Systems Thinking, Systems Practice*. On this, Checkland points out the fourth SSM wave as four main activities, namely, finding out about a problem situation; formulation of relevant purposeful activity models; debating the situation and taking actions which are likely to improve the situation.

Literature on SSM devotes significant attention to presentation of a problem situation. With the intention of simplifying otherwise complex human interactions, SSM pioneers such as Checkland (1999) have recommended 'rich pictures' given that they facilitate a view of the whole picture rather than reductionist frameworks. Rich pictures in SSM are used as starting points for discussions among various stakeholders (Ibid) who through debates and inputs enrich the picture even more. Rich pictures also demonstrate *weltanschauung* (various perspectives) or worldviews of different stakeholders. In the use of rich picture, however, Gharajedaghi (2011) takes more seriously the interaction between context, structure, function

and process as quintessential to SSM, compared to Checkland (1999) who adopts a less dogmatic view, contending that human situations require fluid approaches.

In further identification of problem situation, in addition to rich pictures, Checkland (1999) points out the need to undertake what he calls analyses one, two and three; for holistic presentation of a problem situation. Analysis one, according to Checkland identifies problem owners, as chosen by the problem solver, while analyses two and three focus on social and political issues; mainly on how individuals or groups use power to influence or constrain interventions. Checkland cautions that in practising SSM, analyses two and three should be treated with sensitivities, given that discussions on power can be potentially destabilizing.

After identification of a problem situation, SSM considers purposeful activities (Checkland, 1999; Gharajedaghi, 2011; Ackoff, 1997) which seek to essentially structure debate rather than model solutions. In other words, purposeful action seeks to structure existing world views and their interactions, rather than provide specific objectives or goals (Checkland and Scholes, 1990).

Households are messy human organizations, characterised by strong linkages with numerous other systems such as work organizations and government organizations. In this light, households are probably the most complex, and dynamic organizations. Notwithstanding, they are traditionally viewed as informal or ‘silent’ organizations and therefore peripheral as far as management science is concerned. On one hand, organizational scientists take the definition of an organization as given. On the other, those who make efforts to define what an organization is, reflect fundamental and therefore worrying assumptions and biases.

This conclusion is easily arrived at through visible fault lines which surface after examining various definitions of organizations. Citing an important concern, Van Tonder (2004) rightly points out the enduring problematique of defining an organization, and convincingly presents what he sees as tendencies of organizational studies to treat the concept of organization as beyond scientific scrutiny. Thus, according to Van Tonder literature on organizational science forges forward in acknowledgement of “...the evolving form and structure of organizations yet do not pause to revisit the fundamental meaning of organization” (2004:13). Citing examples of this problematique, Van Tonder (2004) notes that in addition to the missing reference of organization in sociological literature for the first half of the 20th century, an assessment of 85 organizational studies in the *administrative science quarterly*

between 1986 and 1990 (by Sandelands and Srivatsan, 1993) concluded that only two out of 204,000 references of the term organization affirm the definition challenge of the concept. This is an obvious manifestation of the assumptions in organizational literature.

In spite of the noted assumption, Van Tonder (2004) does not go beyond problematization of the concept; neither does he present alternative ways of defining organizations beyond the current. Van Tonder instead despairs of any possible agreement on what an organization is, and concludes that the definition of the concept is unlikely to receive any priority, at least in the conceivable future. Unfortunately roughly a decade after his misgivings, Van Tonder's prediction has been validated. Although Van Tonder's argument helps in identification of a major deficit in organizational literature, his argument does not take on itself the task of expressing the gravity and impact of these otherwise assuming tendencies. By failing to attend to the impact of the misguided assumptions Van Tonder misses an opportunity to task the organizational discourse with the *need* to grapple with an inclusive definition of the concept of organization.

Other examples of these sorts of omissions are easily found in Willcoxson's *Defining and creating a high performance organization* (2010). Although Willcoxson (2010) devotes much attention to organizational performance, the reader waits in vain to arrive at a definition of an organization –what exactly an organization is- and the diversities which characterise organizations. This omission in part cripples Willcoxson arguments (2010), mainly because organizational performance needs to be viewed from a definition premise. Suffice to say, Willcoxson's presentation is useful in the organizational performance terrain. Considering another example, a simple Google search of the top ten documents related to the phrase 'definition of an organization' yields documents such as organizational commitment, patterns of an organization, business organization and management, hierarchy and modern organization, among other documents, equally vague on defining an organization. This lack of definition blurs the organizational discourse, so much so that various 'messy' and non-traditional organizations are often excluded. Carrying forward their shadows, these exclusions go on to govern explorations, strategies and proposals on organizational effectiveness and success. As a result, *particular* types of organizations are over researched while others such as households are 'crowded out' and implicitly dismissed as non-critical as far as management literature is concerned.

Accounting for the above concerns, then, an organization can be defined as functional network of individuals, who share particular (if changing) objectives and processes either in the short, medium or long term. This definition includes large and small organizations, social as well as economic organizations. By this token, households are represented in this definition, as organizations. This assertion prefers to acknowledge households as organizations (if non-traditional), only that they reveal a dynamic character, far more complex than traditional organizations. It is critical to examine the sense in which households are organizations -the resemblances and variations between households and other organizations; how these variations and semblances tend to task or unmask the traditional way in which organizations are viewed, and the possibilities which this shift in organizational conceptualisation holds for households. Only after the foregoing questions are effectively addressed, and after locating households within the broader organizational space, can systems thinking become a useful diagnosis tool for household development and sustainability.

The inherent assumption held by organizational theorists is that household discourses should be located in economics and not elsewhere. Thus there are numerous accounts and proposals on how to manage multi-lateral organizations, nation states, non-government organizations, as well as businesses. Scientific models of household management, to the best knowledge of this author, do not exist. These assumptions and autarchic inquiry of households arguably undermine the attempts to first understand how household systems function and second, how to reasonably guide households towards a desired change.

To be sure, and consistent with systems thinking approach utilised by this study, households are part of broader system of organizations in the society. This study does not dismiss or question this systems connectedness. Rather, what it does here is to make a case for its unit of analysis, namely, households within organizational management and systems thinking discourses. Put differently, while households are part of networks of systems, they are mistakably not considered as systems in their own right. As argued below, households reveal a profoundly similar character as other human organizations.

3.4.3. Households as Systems

Chapman (2004) observes three ways in which Systems Thinking is applied. These include (a) natural systems mainly found in biological science, which include the human body; (b) engineered or designed systems which are deliberately planned to yield specific properties

such as cars, computers, etc.; and (c) in purposeful or human activity systems which mainly represent all organizations or institutions. Going by Chapman's taxonomy, a household would fall under human activity systems, although not as neatly. This is if we consider Nardi's (1996) concept of human activity (cited in Slay, 2004) as an integrated and hierarchical structure, with what Slay (2004:1) refers to as "conscious goal directed actions". If households in developing countries are considered, their formation or growth is not always 'conscious goal directed actions' as Nardi seems to suggest. Households evolve out of multiple interactions, equilibriums and dis-equilibriums ranging from social relations, to cultural dictates, as well as economic abilities and disabilities. In applying Systems Thinking to a specific organization, Seligman, (2005) outlines what he considers as critical guidelines. These include the following.

Table 1: Critical Guidelines to understanding Systems

| Theme | Activity |
|---|---|
| Understanding History | <ul style="list-style-type: none"> a. Examine responses to change elements b. Assess the attitude of learning in the system c. Identify any responses to Systems Thinking, if any |
| Respect and appreciate the current state of the people in the system. | <ul style="list-style-type: none"> a. Identify the dominant mood in the system b. Identify the resistances which might exist c. Identify existing mental models d. Leverage Systems Thinking Models |
| Create the conditions for self-reflection inside a safe practice field | <ul style="list-style-type: none"> a. Conclude findings without labelling them under 'fear' or 'failure' b. Build new ideas with the system parts |
| Account for the deep structure | <ul style="list-style-type: none"> a. Highlight the deep structures which reproduce repeated behaviors in an organization b. Design ways of interrupting these behaviour's, if possible |
| Look for similar parallels successes in the organization and seek to leverage them | <ul style="list-style-type: none"> a. Identify occasions when people adopted and implemented a new idea b. Assess the current situation, in light of introducing new ideas |

Source: Adapted from Seligman (2005).

Seligman's guidelines implicitly refer to institutions other than the household, except that in a measured way they relate to a household system. For example, the notions of learning, resistance, deep structure –these comfortably relate to a household. On the contrary, creating conditions for self-reflection, as well as consciously introducing new ideas-these seem more applicable to other organizations. A household system is therefore a complex phenomenon. That is not to say a household system is impossible to disentangle. What is meant here is that, to understand a household more meaningfully, it needs to be debunked from other sorts of institutions which otherwise demonstrate a somewhat uniform framework. With this conclusion in perspective, it is necessary to consider some aspects which mystify human systems, whether they fall under traditional or non-traditional systems. Decision making is one of the profoundly complex yet obvious characteristic of human systems. The study now turns to explore decision making in human systems.

3.4.4. Decision Making in General Human Systems.

Decision making thrives everywhere in human systems. Before considering decision making in household systems, this subsection first notes the general character of human systems as far as decision making is concerned. This will then give way to specific focus on households as informal human systems.

Human systems' plans, budgets and outcomes are guided by decisions. According to March (1991), individuals and groups make decisions based on the need to optimize results. The optimization motivation, as far as March is concerned, is often guided by some extents of irrationality-infact, he points "...numerous limits to rationality in decision making" (1991:96). The theories of choice suggest that human decisions are based on (i) knowledge of alternatives (ii) knowledge of consequences (iii) sequencing or ordering of preferences and (iv) a decision rule (see March, 1991).

The first author to interrogate decision making, Simon, disagrees with March's optimization motivation, arguing that decisions are rather made on the basis of satisficing (a decision making strategy which aims for satisfactory or adequate results, rather than optimal results) – what McKinnon calls *bounded rationality*⁷ (McKinnon, 2003). The satisficing position

⁷ Emphasis added by this author

assumes that organizations are highly complex, and that leaders possess limited cognitive abilities of all factors (McKinnon, 2003) so much so that they cannot make fully rational decisions.

Focusing on the object rather than the subject of decision making, Hickson, *et al.*, (1986, cited in Miller, *et al.*, 1996) point out that decisions are either sporadic, or fluid, or even others, constrained. These authors further contend that constricted decisions are a mixture of sporadic and fluid, except that they incline towards a single decision making person, who potentially controls the resources-but then for what motivation?

Arguably, the motivation behind decision making potentially determines the nature and character of decisions. Cooperates for example, make decisions on the basis of results (Wallace and Rijamampianina, 2005)-and specifically to remain progressively competitive. Corporate decisions therefore operate from the premise that “competitive advantage is not the result of the yearly strategic planning and budget exercise; it is determined daily” (Ibid, 2005:1).

More on motivations, Mintzberg, Raisinghani and Theoret, (1976) present three elements involved in decision making which are (a) decision making model, (b) solution search behaviors and (c) configurations which guide the decision making model. First, the authors present the decision making model as follows.

Table 2: Motivations which Shape Decision Making

| Component | Description |
|--------------------------|---|
| Recognition | A stimulus or stimuli which has generated a crisis, opportunity, or threat is recognized |
| Diagnosis | An assessment of the situation, as well as examination of information sources to describe the issue is identified. |
| Search and Design | An investigation of ready-made solutions is made, in addition to devising new solutions. |
| Evaluation | On the evaluation level, a solution is chosen through the use of judgement, bargaining and analysis. This is a rigorous process, which looks into |

| | |
|----------------------|---|
| | alternative solutions. |
| Authorization | Authorisation of the recommended solution is made |

Source: McKinnon, (2003)

On solution search behaviors, Mintzberg, Raisinghani and Theoret, (1976) provide four types of behaviors namely, (a) memory search (b) passive search-which is essentially waiting for a solution to appear (c) trap search which places solution search to others and (d) active search. The authors then identify path configurations as outlined below.

Table 3: Path Configurations

| Configuration | Summary |
|-------------------------|---|
| Simple impasse | A solution is blocked in debate. |
| Political design | To achieve adoption of a solution, political manoeuvring is necessary. |
| Basic search | Involves finding the best ready-made solution. |
| Modified search | Ready-made solutions need to be modified to find an acceptable solution. |
| Basic design | Design process results in often complex and innovative solutions. |
| Block design | Identical to basic design but resistance from outside groups results in a blocked decision process. |
| Dynamic design | Activity flow becomes very complex due to large investment, complex design and likelihood of interruptions due to new requirements. |

Source: McKinnon, (2003)

Mintzberg, Raisinghani and Theoret's decision making model (1976), search options and path configurations (1976) reflect three fundamental faults. First, they are normative –thus they explain how things should be –rather than positivist –how things are. Second, these authors' methodology is applicable to formal organizations with a clear chain of command, a common objective, and with resources as well as the interest in finding a solution to an issue.

The model thus eliminates less structured or informal organizations such as a households or small businesses which although have a chain of command, they do not necessarily have the resources or the time to rigorously investigate a solution. Also, crisis, threats and opportunities are too common for households and small businesses to follow Mintzberg, Raisinighani and Theoret's (1976) seemingly meticulous methodology. These authors could thus be charged with large organization bias. Third, the noted methodology is based on a cause and effect theory, which Ackoff (1997) among other system thinking theorists have already placed them under past era and labelled them as ineffective methods of analysis. The cause and effect trend is identifiable, considering Mintzberg *et al.*, 's (1976) position, that political persuasion is a fundamental factor in decision making. What these authors imply is that decisions are easily predictable, and are 'possible' due to some vested interests.

3.4.5. Decision Making In Informal Systems -The Household Case.

Contrary to decision making debates in formal institutions, there is limited focus on informal institutions decision making. Debates seem to revolve around criticisms and fault finding within informal institutions. Thus there are suggestions, selective as they are, which argue that informal institutions should formalize. The United States Agency for International Development for example has written about removal of barriers to allow informal institutions to formalize, labelling this removal as 'reforms' (See USAID, 2005). The international labor organization follows suit, by writing on 'enabling transitions' referring to creation of opportunities for informal institutions to formalize. Yet by implication these bodies bundle all informal institutions into 'informal economy'-they are not. The notion that all informal institutions are on the wrong side of development is inaccurate. The 'legitimacy question' is therefore critical, in analysing decisions in informal institutions-and, households are legitimate development institutions.

Informal institutions, according to Escosolido (1991:74) do reflect group dynamics, and can produce group efficacy, although Escosolido (Ibid: 74) admits that "...little work has been done to determine how group efficacy is built and what can be done to increase a group's efficacy levels". Relating this 'group dynamic' factor to household institutions, the 'dynamics' are more natural than otherwise. Household members are not 'employed' in the sense that they do not 'decide' to form part of their family group, and neither can they opt out. This is unlike formal-and majority of informal- institutions which operate mainly from economic contract. Before examining how households make decisions, therefore, it is

important to understand their character, first. Viewed from a systems thinking perspective, households reveal a *timeless contract* dynamic, distinguishing it from other informal institutions, as well as formal institutions.

3.5. A CRITICAL EXAMINATION OF THE GLOBAL MIDDLE CLASS.

3.5.1. Definitional Contests

The middle class discourse is located within the broader context of class identities, a traditionally social theory terrain. While Orthodox Marxism dominates the class relations space, definition and deconstruction of social structures are mainly found in Weberian literature. According to Breen (2001), sociological assessment of class structures concludes that life chances of individuals or even households are essentially determined by class identity and status. This view runs contrary to neo-liberal orthodoxy which places life chances to individual choices and competitiveness in an open market (Breen, 2001).

In his famous *Economy and Society* work, Weber defined class as a situation where “...there is a shared typical probability of procuring goods, gaining a position in life, and finding inner satisfaction” (1978:302). Weber further explained that life chances are contingent not just on abstract markets, but on the assets which an individual brings to the market (See also Breen, 2001). That is to say, the value extracted from individual’s interactions with markets is largely determined by the resources brought into the market by that individual. These resources could be property, skills, and various other assets, all of whose value is understood in a market context (Breen, 2001).

Marx concept of ‘class’ was different from Weber, and as Ollman (1968) suggests, Marx used the term class rather loosely than strictly. For Marx, in the main, there are three main social classes, capitalist, proletarian and land owners (Ollman, 1968). Ollman (1968) is however at pains to distinguish between the three classes, considering that Marx dwells mainly in the capitalist and the proletariat pendulum. Marx also identified a lower middle class, as well as a ‘dangerous class’ the former of which Marx skated through without giving much attention to define it. Consequently, Ollman (1968) struggles to explain what a lower middle class is, painting a rather broad brush of assumptions on what Marx might have meant. In this obscurity, Ollman suggests that Marx lower middle class might mean a clustering of “some members from all the economic classes...and the membership would possibly be based on income, power, or even distance from the extremes of involvement in the class

struggles” (Ollman, 1968:575). According to Ollman, Marx was clearer on ‘the dangerous class’ labelling them as “...the social scum consisting of criminals and thieves, they have no specific trade, and, they are essentially homeless” (Ibid: 575).

Both Marx and Weber’s conceptualizations have evolved to contemporary confusion and vagueness of what middle class definition should be. The term has been hijacked by economists, who in their struggle to refine the concept utilise numerical and income based indicators to define the middle class. Thus Visagie (2013) locates the two main approaches to defining middle class from international economic literature. These approaches according to Visagie (2013) the affluence approach (usually defined by global income categories) and the ‘middle income strata’ (subject to what is considered as high and low class, in a particular context). The former is of course the dominant school.

Notwithstanding, both approaches have not settled on what exactly is meant by middle class. Take for example Atkinson and Brandolini (2011) who cite that layman definitions dominate the middle class debate, or Beckett (2010) who boldly asserts that middle class is a controversial business. Viewed from blurred measurements, varying definitions or even the culture of the middle class, indeed, the middle class is a messy business. The middle class discourse is often framed within loose and shallow notions such as cited by Beckett (2010), which include eating habits, renting or owning a good property, use of cutlery or even speaking styles. Beckett (2010) fails to recognize that eating habits, use of cutlery and speaking styles could be as cultural just as they are acquired. This definition does not describe a good property is, effectively creating a new dilemma of rural and urban based perspectives on what is ‘good’

The geography dynamics are of further interest, considering that every region –urban, semi urban or rural-are all structured along social strata. Each geographic cluster will therefore be characterised by high class, middle class and low class. What is ‘middle’ in geographical area X will be different (sometimes intrinsically) from the definition of ‘middle’ in geographical area Y. By this token, depending on geographies, many households might refer to themselves as middle class. This assertion is often a comparative conclusion, based on the neighbourhood location, or majority of the population. That is to say, households tend to classify themselves as middle income, only when they compare their lifestyle with the majority of the surrounding population.

Bernajee and Duflo (2007) make reference to an important point, in their articulation that although middle income earners might demonstrate similarities across countries they equally show fundamental differences. Rightly so, Bernajee and Duflo (2007) further observe that consumption differences between the poor and the middle class are probably greater even in the same country, than differences between middle income earners in different countries.

Considering Kharas and Gertz (2010) absolute definition of middle class (\$10 and \$100 per day per capita adjusted to PPP), these authors go on to make bleak predictions as far as the growth of middle class in Sub-Saharan Africa is concerned. For these authors, while what they call the global middle income earners will grow significantly by 2030 (largely due to growth of middle income in Asia), by the same year Sub-Saharan will contribute 2% towards global middle income, the same contribution it made in 2010. In other words, Sub-Saharan Africa is unlikely to record any middle income earners growth in terms of contribution to global middle class for the next two decades. China is likely to overtake the United States by the year 2020, although India is likely to surpass China beyond 2020, based on Kharas and Gert predictions (although they prefer their view to be considered as a scenario and not a prediction). Interestingly, these authors mainly base their prediction on population growth; a conclusion which constructs upon the assumption that population growth inevitably translates to expanding middle class.

In spite of much messiness, Visagie and Posel (2011:1) argue that the middle class “holds the promise for the rest of the economy”. Although these authors mention that the attitudes and behaviors of the middle class can transform the entire economy, they fail to articulate how exactly. They also rightly point out that the expansive literature on middle class does not concern itself with the nature of middle class; it remains trapped in discussions around measurements or determinations of what middle class really is.

As will be discussed later, economists have made significant efforts to demystify the middle class, although not always in a uniform way. Adopting a capitalist view, Kharas and Gertz (2010) point to perceptions of middle class households as those which live comfortably – subjective as this conclusion is. The perceptions of comfort according to Kharas and Gertz are founded on decent health care, decent housing, job security, higher education, reasonable retirement benefits as well as surplus income for leisure activities. This is of course a loose definition, except that it does come close to the general framework of what middle class

might mean. It takes as given that the middle class have a formal job and they are supposedly in urban areas (where the bulk of decent health care facilities are located). Importantly, they can comfortably *afford* private health care, tertiary education and still afford leisure services.

Although Kharas and Gertz do not clarify whether a middle class household should be able to afford all the noted indicators or only some, behavioural economists would argue that some households choose their priorities differently. Also, affordability is a relative term which can change on the basis of household size, chronic health issues, as well as who defines what is affordable and what is not. That said, however, Kharas and Gertz definition becomes reasonably realistic if concepts such as ‘decent health care, decent housing, job security and surplus income for leisure activities’ are further deconstructed.

For Southall (2004c), the new black middle class are those who hold positions in government and corporates, they do not own the means of production and, they have a subordinate relationship with the owners of capital. In this assertion, Southall (Ibid) draws a simple parallel between the new black middle class, and the proletariat –which he seems to suggest as a synonym for old middle class. Southall slides into the occupational school, by defining the new black middle class as consisting of ‘employees’ and by doing so he loses track of self-employed middle class. Further, Southall’s bias fails to confront the ‘middle class household’ question, and rather focuses on middle class individuals.

From a quantitative premise, in their 2007 paper ‘What is middle class about the middle classes around the world?’ Bernajee and Duflo (2007) adopt an economic definition of the middle class, distinguishing between lower and upper middle class along economic lines. The lower middle class according to these authors consume between US\$2 and US\$4 per day per capita, while the upper middle class consume between US\$6 and US\$10 per day per capita. Although Kharas and Gertz (2010) agree with Bernajee and Duflo (2007) on the principle of absolute definition, they present their own range, as anywhere between US\$10 and US\$100 per day per capita, adjusted to Purchasing Power Parity. Kharas and Gertz’s lower and upper bounds (US\$10 and US\$100 respectively) are based on poverty lines of European countries – the lower bound representing Portugal and Italy poverty lines while the upper bound reflects twice the median income of Luxemburg. The immediate problem with Kharas and Gert’s definition is that the assumption that globally, all individuals within a given income bracket share similar culture, similar priorities and similar economic choices. This is a fundamental

misrepresentation not only of societal social dynamics, but also of individual's behaviors. Mullaianathan's cognitive depletion theory discussed earlier suggests that economic decision making is not necessarily a constant; it is rather situational based on 'bandwidth' depletion. In other words, the possession of a given income does not necessarily translate to 'middle class lifestyle' choices. There are many confounding factors which determine the end lifestyle choices.

An emerging sociological persuasion suggests that occupation is the essential factor in defining a middle class (Rivero, Du Toit and Kotze (2003; Muller, 2006). On this occupational approach, Rivero, Du Toit and Kotze (2003) distinguish between what they consider as old middle class and new black middle class. The old middle class according to these authors are self-employed or property owners, whose living standards are filtered to match with the 'new black middle class' lifestyle. By the new black middle class Rivero, Du Toit and Kotze (2003:13) mean "professionals, managers and clerks".

In trying to debunk the middle class concept almost half a century ago, Raynor (cited Rivero, Du Toit and Kotze (2003:12) presents his definition of the middle class as "the professional group (architects, lawyers, engineers, clergy, scientists, draughtsmen, librarians, teachers, nurses, musicians, doctors and accountants); the business group (restaurant owners, retail traders - as employers and proprietors - and managers and administrators in manufacture, trade, transport, finance, etc., bankers, civil service administration grade) and the 'white-collar group' (clerks, insurance agents, typists)." This definition is more concerned with professional identity and less interested in the income benefits. This is evident in the assumption that this professional group is similar everywhere. It isn't. Yet, in agreement with Raynor, Rivero, Du Toit and Kotze (2003), point to the above as 'generally accepted' occupations which constitute a middle class.

The occupational approach is of course an assuming view, which seems to suggest that occupation is decent income employment. Visagie (2013) is quick to point out the major limitation of this view as categorising of individuals from the same household as if they belonged to different social classes. In a different work, Visagie (2011) finds the omission of the unemployed or those outside the labor force, misleading.

3.5.2. A Discourse Constructed on Quick Sand?

Middle class debates construct on the above noted theoretical muddle, implicitly dismissing the definitional impasse. No wonder the discourse has generated significant controversy. The reason for growing popularity of conversation around the middle class is that, subjective as the concept is, literature has tended to suggest that the growth and development of Europe and North American economies in the 19th century (Adelman and Morris, 1997; Landes, 1998) and more recently Asia and Latin American economies (Desgoigts and Jaramillo, 2009; Easterly, 2001) is largely attributable to an increasing middle class. A range of development outcomes such as exerting pressure for good governance and social development (See Ncube and Shimeles, 2012; Ncube, Mfumba and Steve, 2011) have been put forward. These are some of the gains made by developed countries, with the middle class viewed as the main custodian.

Based on the foregoing, developing countries have followed suit, inventing and re-inventing ways of expanding the middle class, anticipating that this might be their *eureka* moment –as it were-as far as development is concerned. These inventions are built on momentous and optimistic philosophy about the middle class.

Although relatively belated, continent wide research on the middle class in Africa is slowly but increasingly visible. One of the authoritative yet controversial continent wide research about the middle class is the African Development Bank report by Ncube, Mfumpa and Steve (2011). Using the income band between \$2 and \$20 a day in 2005 Purchasing Power Parity US dollars, this report paints a blissful picture of Africa, contending 223 million middle class individuals added to the 27% which existed in 1980 (Ncube, Mfumpa and Steve, 2011). The report goes on to assert that the growth of Africa's middle class has been higher than population growth between 1980 and 2010 (Ibid). This data exploded in the media among business people, academics and journalists, surprisingly confirming the sweeping arguments made about 'Africa rising'-whatever this means. Dulani, Mattes and Logan (2013) are not as enthusiastic. In their 2013 Afrobarometer survey, these authors found that sub-Saharan Africa generally recorded increased lived poverty⁸ between 2011 and 2013, inspite of the 4.3 %

⁸ The Lived Poverty Index is computed by establishing the degree in which basic necessities are absent or present. It is measured from 0 (no absence of basic necessities) to 4 (constant absence of all basic necessities)

continental average growth rate. Others critics include Potts (2013:10) who accuses the ADB report as:

“...seriously misleading. A proper reading of the briefing swiftly demonstrates that the income band classifications used are very far from what most urban scholars would understand is needed to place an urban-based person in the ‘middle class’ in any sense, be it in terms of income/consumption, possible lifestyle or social status”.

The African Development Bank (ADB) report reveals several flaws as noted below. First, concluding that individuals who earn \$2 a day are part of the middle class is misleading to say the least. While in theory this might seem logical, considering the \$2 a day global poverty line, practically, an individual earning this amount cannot afford the very basic necessity, food (Pott, 2013). Second, bundling together an individual who earns \$2 a day, or \$56 a month, with an individual earning \$ 20 a day or \$560 a month reflects a fundamental mismatch of individuals’ wealth potential. The ADB report commits a third error, by breaking down the middle class into three bands –the floating class, lower middle and upper middle. The authors of the ADB brief acknowledge that their ‘floating class’ might not adequately fit into the middle class, mainly because individuals and households in this category remain highly vulnerable to poverty. Rightly so, given that they earn mere 75 cents a day above the absolute global poverty line [less than \$1.25 a day] (Pott, 2013). In spite of this acknowledgement, the authors forge forward in calculating their middle class figures inclusive of the ‘floating class’. Pott (2013) further finds the use of purchasing power parity as distortive, from the view that when calculated in dollars, the incomes would be significantly less.

In presenting what they consider as the tendencies of the African middle class, Ncube, Mfumba and Steve (2011) put forward the following.

- (a) The middle class is likely to reside in relatively larger permanent dwellings, with modern facilities.
- (b) The middle class is likely to have lean family size compared to the poor
- (c) The middle class prefers private health and education services as well as better nutrition

(d) It is likely to be located in a constant salaried employment, rather than land ownership or in agriculture

(e) It is likely to be more educated and based in urban areas

(f) Assumed to possess social and economic values

While the above profile of the African middle class is useful, and potentially reflective of general economic and social behavioural trends, by presenting this profile the authors seem to contradict themselves especially in arguing that the middle class prefer to use private services, and are likely to live in larger more permanent dwellings. By and large, Ncube, Mfumba and Steve's floating class is highly unlikely to afford large and permanent housing as well as private health care services.

3.6. THE LABYRINTH OF SOUTH AFRICA'S MIDDLE CLASS

3.6.1. South Africa's Black Middle Class –An historical account

Literature on South Africa's black middle class during the apartheid era is fairly limited, and when it is traceable, it is essentially presented as a tool for political liberation. In other words, neo-Marxist tradition appears to dominate debates on the middle class, although neo-Weberian approaches –which focus on modernization and growth-, are somewhat traceable. This is expected, considering the multi-disciplinary efforts –including development economics- all of which sought to explain the necessary breakdown of the apartheid regime from their respective theoretical positions. Roger Southall, who seems to hold Neo-Marxist perspective, has been especially consistent in deconstructing black middle class within the country's political milieu.

Rivero, Du Toit and Kotze (2003) trace some of the early emergence of a black middle class to the 19th century. South Africa's legislative efforts aimed at limiting the expansion of a black middle class existed as far back as 1887 (Rivero, Du Toit and Kotze, 2003). Moeletsi Mbeki traces the history of a black middle class earlier than Rivero, Du Toit and Kotze, locating its origins in the 1830s. Mbeki observes that between 1835-1837, after the British had discovered that the most effective way to colonise Africans was through forging alliances with them (2009). From this premise, argues Mbeki, the British formed military based alliances with three groups, namely, the Amamfengu, sections of the Xhosa tribe and a section of the Khoi tribe (2009). While the British offered military support to the above tribes

against their enemies, in return [the British] acquired land and cattle, and along the way, the British influenced their African allies to their way of life, transforming them into peasant farmers, converted them into Christianity, taught them how to read and write, they introduced them to western dress codes as well as democratic governance (Ibid). This transformation of African allies led to the emergence of “South Africa’s African middle class –Christian, Missionary educated, Anglophile, liberal, pro-capitalist, and attuned to parliamentary democracy” (Mbeki, 2009:56).

According to Mbeki (2009:57) although the black middle class lost much political gains and economic grounds overtime, they proliferated from among non-government organizations, self-employment, churches, and “...remained the torch bearer for democracy for 100 years”. Mbeki seems to suggest that the religious fraternity played a significant role in maintaining and expanding the black middle class, especially on noting an emergence of a powerful black elite post 1994, who controlled critical institutions such as the South African Council of Churches, Catholic Bishops conference, Congress for South African Trade Union as well as the national Congress of Trade Unions (Nactu) (Ibid). The only difference between the new black elite and the African Elite who had existed for a century was that the black elite controlled these institutions but lacked economic power (Mbeki, 2009). This of course appears contradictory, given that Mbeki seems to suggest the possibility of middle class without economic power. Mbeki however provides an important insight into the early traces of black middle class.

Complementing Mbeki, in his work on *political change and the black middle class in democratic South Africa*, Southall (2007) prefers to focus on more recent history of the black middle class, assessing its development from the second half of the 20th century. In his analysis, Southall (2007) situates black middle class debates in both the neo-Marxist and neo-Weberian theoretical positions. Neo-Marxists, for Southall (2007) concerned themselves with the political orientation of the black middle class, and the possibilities held by this orientation in undermining apartheid. Neo Weberian theorists were more interested in understanding how the black middle class related to modernization, economic growth (Southall, 2007) as well as economic development. A third theoretical school, neo-liberals, was also involved in this debate, if less vigorous than Neo-Weberian and Neo Marxist. While the liberal position argued that racial discrimination was independent of economic growth, and that economic growth and racial segregation were fundamentally disconnected, Neo-Marxists and Neo-

Weberian positions argued that racialism and economic growth were functionally compatible and structurally interdependent (Adam; 1971).

The rise of Odendaal's 'political class' (1984), or what Neo-Weberians saw as a 'middle economic class' was not dependent on the thriving debates. In the 1960s, employers started to promote African workers, to replace white artisans (Southall, 2007). Neo-Marxists argued that power relations between white capitalism and black petty bourgeoisies had not changed, considering that African workers were paid lesser wages than white artisans (Ibid). Neo-liberals interpreted these trends as a movement towards the right direction, arguing that colour lines were blurring, if slowly (Ibid). Thus, debates in the 1960s considered the existence of the new black political class as given. The essential question was around the functioning and potential impact of this class on politics and economics of the apartheid state and the South African society as a whole.

According to Bonner, the membership of the South African Native National Council was mainly educated black population although denied from accessing skilled work (1982), a group who Southall (2007) labels them as colonized petty bourgeoisies. In augmenting the notion of black petty bourgeoisies, Nzimande (1990) argues that black African elite during the apartheid episode was a distinct class, separate from white elites. Nzimande goes on to point out that the black African petty bourgeoisies were interested in capitalism and that the Apartheid State saw this class as leaning towards reformation rather than revolution.

In Nzimande's view (1990), four categories of black middle class were visible during the apartheid period. The first was the bureaucratic petty bourgeoisies consisting of rural Bantustans on one hand, on the other, urban townships. While the rural Bantustan based bourgeoisie had stronger links with the state, with rural black elite easily co-opted into the apartheid state, urban township bourgeoisie were highly antagonistic against the Apartheid State. The second category was the Trading Petty African Bourgeoisie which consisted of four groups. Group one was made of traders in the rural areas, which was closely linked with rural bureaucratic bourgeoisie, group two consisted on urban traders who were strongly linked with the urban bureaucratic bourgeoisie, the third group was mainly autonomous, pro-capitalist but apparently anti-apartheid. This third group according to Nzimande (1990) towered within the National African Federated Chamber of Commerce (NAFCOC). The third category of black middle class was composed of civil petty bourgeoisie, that is, state

employees (both the Apartheid State as well as Bantustan employees). These were in the main, teachers, nurses and clerks, who were poorly paid, and worked in poor conditions and therefore allied strongly with the working class. The last category in Nzimande's lenses (1990) was the corporate petty bourgeoisie, which upsurged in the 1970s. This category supported de-racialised capitalism.

Mbeki (2009) seems to consent to Nzimande's third category which consisted of civil petty bourgeoisie, although he considers the term liberalism as more representative. Liberalism according to Mbeki (2009) reflects the conversion of African elites by the British society into Christians, consumers of the British manufactured goods, and assimilation into the British liberal lifestyle. By liberalism, Mbeki here means promotion of property rights, freedom of speech and electoral governance (2009). It follows naturally that, these assimilated Africans were co-opted into state institutions, forming Nzimande's civil petty Bourgeoisie. Mbeki (2009) differentiates the civil petty bourgeoisie with African nationalists, who he contends that they were largely located in the private sector. Mbeki's African nationalists might relate to Nzimande's cooperate petty bourgeoisie, except that while Nzimande posits that this group supported deracialised capitalism, Mbeki quotes Macah Kunene, an African Bourgeoisie to illustrate the point that this group preferred to keep their alliances with the British. So in 1903, when asked about his views about the British returning home, Macah Kunene responded as follows:

"If the white people and the King of England were to desert us now and leave us here, there is a great section of us who have approximated to a great extent to the white man's way of living and to the white man's way of doing things; and there is a large number of us who haven't advanced at all, who have remained as they were practically in former days. I am afraid that those who have remained in their former state would kill us all, particularly civilised natives, because we have bought lands, they do not approve of the ownership of land. They know too that whenever there have been a war against natives like ourselves, we have always been in the colonial government and gone out to assist them in those wars. Therefore, we feel that we are better under our colonial government, and are far better than if we were deserted and left to the mercies of our people" (Cited in Mbeki, 2009:59)

It is difficult to detect African nationalism in the above view, a challenge which Mbeki does not make efforts to clarify. While Mbeki and Nzimande might refer to the same group, they narrate the character of this class during two fundamentally different time periods and situations. The character differentiation between the two narratives needs to be understood under the chronology rubric.

Southall is not alone in focusing on the second half of the twentieth century, in the efforts to narrate the black middle class. Others such as Wolpe (1972) as well as Simkins and Hindson (1979) follow suit, and detect a significant increase between 1960 and 1970. Wolpe (1972) estimates the black middle class at 1 315 800 in 1974, while Nolutshungu (1983) places this number at 121, 948 four years earlier (1970). These disparities were of course a function of the varying definitions of middle class (Crankshaw, 1996). Using occupational approach as their definition of the middle class, Rivero, Du Toit and Kotze (2003) note a significant growth of black Africans, as a percentage of the (multi-racial) national middle class from 29% in 1994 to 49% in 2000. Using a clearly defective definition (see argument above), the African Development bank estimates South Africa's middle class at 43.2%, or roughly 22.5 million, as at 2011 (Ncube, Lufumpa and Kayizzi-Mugerwa; 2011).

3.6.2. The Contours of South Africa's Middle Class definition

The hysteria around South Africa's middle class has been up surging in the past decade. The locus point of this growing middle class is the Black Economic Empowerment (BEE) affirmative action policy (Ihenduru 2004; Southall, 2004a); although authors like Van Der Berg (2010) content that the dramatic rise of the country's middle class cannot be attributed only to affirmative action policies. As a whole, South Africa is classified as a middle class country, on the basis of its GDP per capita (Ibid). This classification, however, is inconsistent with South Africa's social indicators (Van Der Berg, 2010) such as life expectancy, which was estimated at 57.7 years in 2013 (down from 63 years in 1995) as well as HIV prevalence rate of 10% in 2013 (Statistics South Africa, 2013). According to the World Bank, South Africa's life expectancy in 1995 was ten years lower than that of Panama, also a middle income country, and four years less than Philippines of which South Africa's economy is three times bigger (World Bank, cited in Van Der Berg, 2010). The poor social indicators versus high GDP per capita reveals the significant inequality levels within the population. Because South Africa's inequality line is drawn along racial categories, in theory,

empowerment of the previously disadvantaged racial group is the solution to otherwise wide inequality gap. This was a critical post 1994 state agenda.

This agenda, however, is rooted in history. The black middle class was deliberately repressed by the apartheid system, in fear of the possibility that if a black middle class emerged, it would challenge white monopoly of capital (Southall, 2004c). This scenario would of course disassemble the apartheid apparatus, effectively introducing political change –a risk the Apartheid State was not prepared to settle for.

The rise of the black middle class in South Africa in part is a movement towards development and if Visagie and Posel (2011) argument is anything to go by, this middle class holds the promise for South Africa's development. Visagie and Posel (2011) further note that the middle class –development nexus is based on the tendencies of the middle class to generate demand, they represent the required human capital and they are critical in political sustainability. And it might be added; they are connected to the poor, and therefore easily facilitate social mobility on the part of the lower class.

Like global literature trends, the bulk of literature on South Africa's middle class presents the growth of middle class, without clarifying on the adopted definition. Where the attempts to articulate a definition of middle class are made, the tendencies are to put forward sweeping statements, which do little to deconstruct the otherwise complex concept of middle class. The conceptualization efforts of South Africa's middle class are therefore numerous.

Rivero, Du Toit and Kotze (2003) on their part use the occupational approach, playing down any controversy on the occupational approach. Their justification of this approach is that it is Weberian as it is Marxist, and that there is what they dub as “ a basic line of division between so-called white-collar worker [new black middle class] and self-employed and propertied (petit bourgeoisie) [old middle class]. This is an oversimplification of the middle class debate in South Africa. The common (lay) perspective adopts this approach.

In a less assuming assessment, Visagie (2011) joins the economic approach, effectively putting forward the affluent and the middle strata methodologies. On the affluent approach Visagie classifies as middle class households which earn between R1, 400 and R10, 000 per capita per month in 2008 prices. The middle income strata considers the median income as a reference point, then spreads the limits to between 50% and 150% of the median income.

Visagie however does admit the limitation of his synthesis, observing that the South African context differs significantly from developed economies where the affluent household and the middle income strata household converge. This convergence is essentially a similarity of lifestyle –thus middle class lifestyle.

On its part, the South African government uses non-income indicators in its definition of a middle class. Thus, Statistics South Africa (2009) classifies as middle class households which have “formal housing...water tap in the residence, ...a flush toilet in the residence,...electricity as the main lighting source, ... electricity or gas as the main cooking source, and ...a landline or a household member having a cell phone” (Statistics South Africa, 2009:1). The combination of these indicators, (rather than individual indicators) according to Statistics South Africa constitute a middle class household. Of course households which qualify into Stats SA classification as middle class, are more likely to meet Bernajee and Duflo’s (2007) classification of a middle class household as earning between \$2 to \$4 per day per capita, as well as Kharas and Gertz’s (2010) \$6 to \$10 per day per capita. Like many others, the Statistics South Africa definition is far from objective. It does not consider that townships do have formal housing (even if as small as the Reconstruction and Development Programme Houses), they also have access to municipality subsidised water, and, some (if not majority of them), illegal access to electricity. The reasoning that access to running water, flush toilets and access to electricity constitutes a middle class household is misleading to say the least, especially if the above informal dynamics are accounted for.

According to Stats SA classification, as at 2006, roughly 26% of all households in South Africa were considered as middle class, up from 23.4% in 1998 (Stats SA 2009). This expansion is largely attributable to increase in black African households, considering that as at 1998, already 85% of white headed households and three quarters of Indian headed households (75%) were middle class, compared to 41% of coloured headed households, and 15% of black African households (Stats SA, 2009). Between 1998 and 2006, the black African middle class rose with a seven percentage point, from 15% to 22%. %. Iheduru (2004) estimates that there are over 400,000 new salaried black middle class every year. Considering the large population of black African households in the country (about three quarters) the incidence of middle class is significantly high. Although poverty in South Africa might appear to have declined, the impact is not necessarily intergenerational. The new poverty mask is less elegant, but by many means intergenerational.

3.6.3. Racialised Household wealth in South Africa.

While the above is the case, differing cultural trends determine the character and functioning of a household system. Seekings (2003) prefers to focus more on class than racial divide, to determine inequalities and poverty mapping in South Africa. This he does, by arguing that racial based models tend to obscure the fragmented way in which society is formed. In the South African case, Seekings (2003) argues, although majority of white South Africans have retained their privileged position conferred to them by class based accumulation during the apartheid regime, some black south Africans experienced an upward social mobility during the same time. On a different article, Seekings (2007:2) puts forward the racial basis of South Africa's poverty, contending that

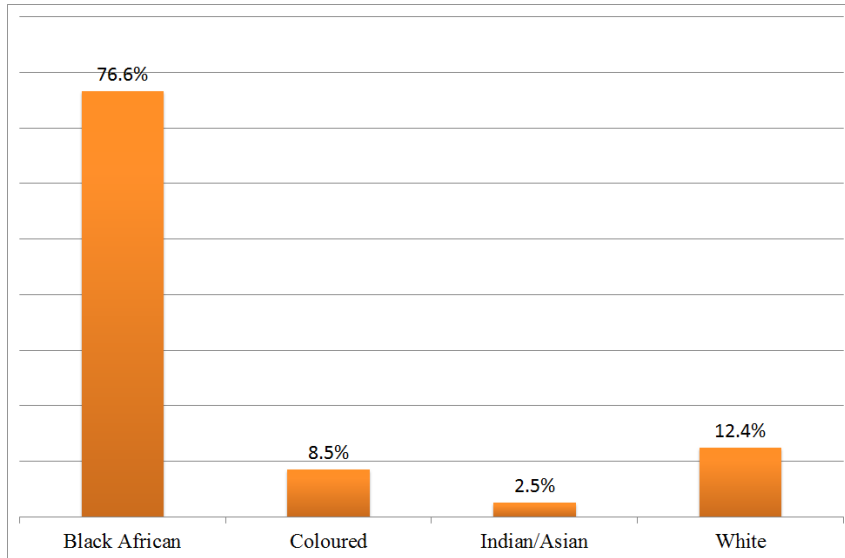
“African people had been dispossessed of most of their land, faced restricted opportunities for employment or self-employment, were limited to low-quality public education and health care, and were physically confined to impoverished parts of the countryside or cities. At the same time, the white minority had benefited from discriminatory public policies”

Race based wealth was deeply entrenched in South Africa's system during the Apartheid episode. By 1932, for example, as noted by Gilomee (cited in Schuermans and Visser, 2005) there were roughly 300,000 (or 17%) of poor white South Africans. To correct this white poverty trend, the government introduced ‘civil labor policies’ which mainly replaced African rail and steel workers (Ibid). This policy initiative operated from a motivation of political fallout from poor whites, fear and the motivation for self-determination of the white race. These motivations conclude that, there was an expectation on the part of the white race to accrue a minimum amount of wealth, and by implication live a particular lifestyle.

Although data on poor black South Africans did not exist during apartheid, the relaxing of labor laws in the 1970s influenced trends of upward social mobility among some black Africans into technical positions and regular white color jobs (Crankshaw, 1996).

3.6.4. An Examination of South Africa's Household Expenditures by Population Groups

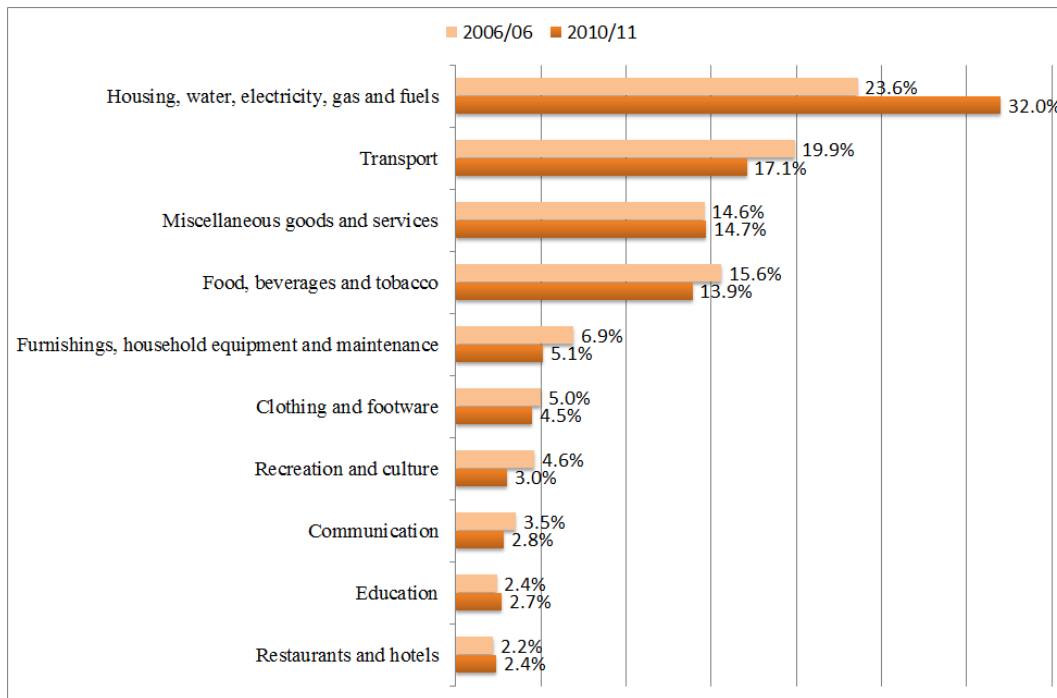
Of the 14,450,161 total South African households recorded in the country's 2011 Census, three quarters are black African households, followed by 12.4% white household, then 8.5% coloured and 2.5% Indian (Statistics South Africa, 2012). This is illustrated below.



Source: Expenditure of Households Survey, Statistics South Africa (2012)

Figure 4: Household Distribution in South Africa (2011)

The 2010/11 expenditure survey recorded that housing, water, electricity, gas and fuels constituted the highest annual expenditure, followed by transport, then goods and services. Education was among the lowest expenditures –although this conclusion needs to consider that public education (primary and secondary) in South Africa is largely public funded. What this also suggests is that, few South Africans expend on private schooling education. A comparison with the 2005/06 demonstrates that housing, water, electricity, gas and fuels recorded the highest household expenditure increase between 2005 and 2011. Slight decline on transport expenses is registered during the same period, as so do food, beverages and tobacco, clothing and footwear, recreation and culture, and communication. No significant change as far as education expenditure is concerned.

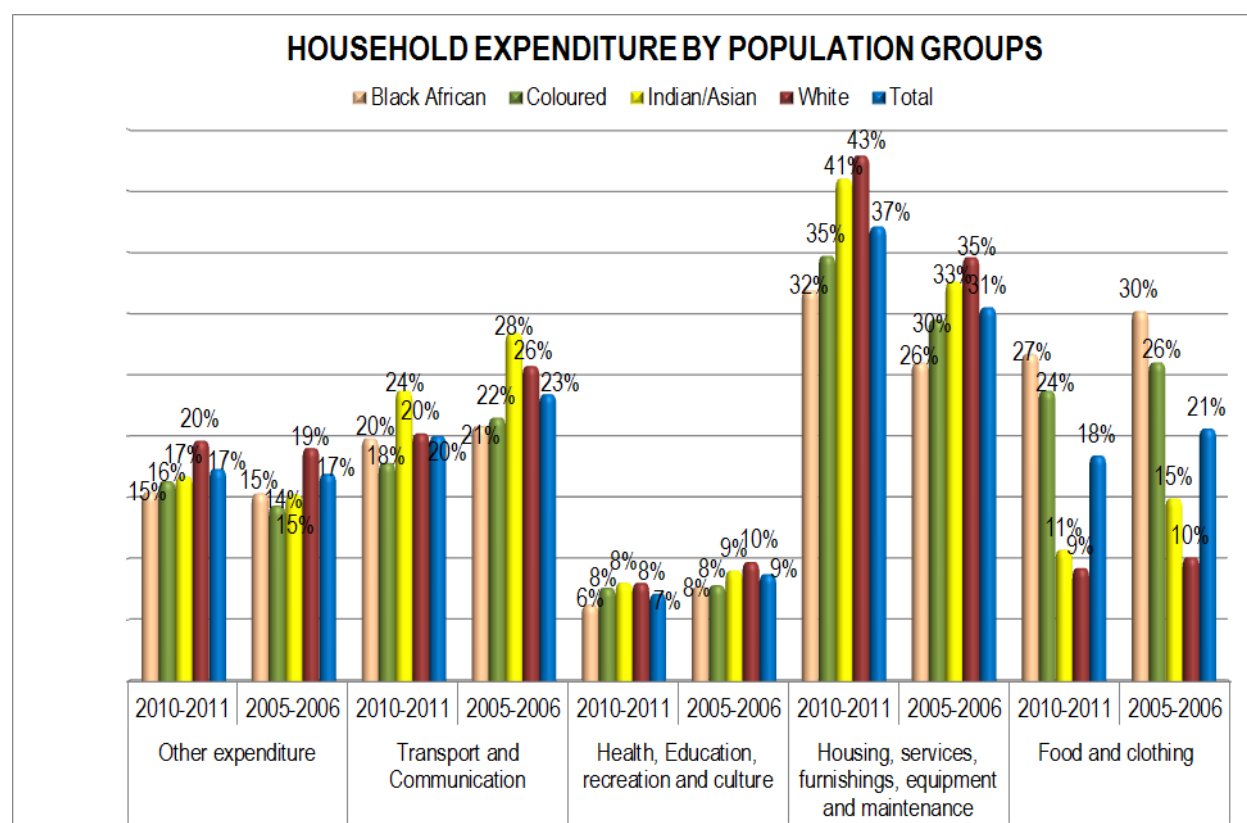


Source: Expenditure of Households Survey, Statistics South Africa (2008); Expenditure of Households Survey, Statistics South Africa (2012)

Figure 5: Comparative Household Expenditures (2005/06 and 2010/11)

Considering population groups breakdown, black African households had the highest expenditure on food and clothing than all other population groups in 2005/06, as well as in 2010/11. Overall, though, all population groups record a declining trend on food and clothing expenditure. Worth noting, also, is that black African households had the lowest expenditure on housing, services, furnishings, equipment and maintenance. A look at expenditures on health, education, recreation and culture concludes that black African households expended the least on these items, compared to all other population groups. While this might illustrate the theory of high consumerism associated with the emerging middle class (see Black Rock Investment Institute, 2011), in South Africa this theory inevitably takes a racial turn. A micro-economic assessment of the consumerism theory would caution against a generic view of emerging middleclass without considering social-cultural dynamics. Whatever argument is made, the above data suggests a lack of trans-generational investments on the part of black South Africans. Poor investments in education fundamentally undermine skills development, which impacts negatively on future generations' skills capabilities. Not to mention the links between education and wealth creation. As the above data demonstrates black Africans reveal

poor investments in health, which potentially suggest vulnerability to health related shocks. Arguably, if black households would expend more on equipment, they potentially would expand wealth creation base.



Source: Expenditure of Households Survey, Statistics South Africa (2008); Expenditure of Households Survey, Statistics South Africa (2012)

Figure 6: Comparison between 2005/06 and 2010/11 household expenditures by population groups

3.7. CONCLUSION

Chapter three has examined the question of poverty and the factors which transmit scarcity from one generation to another. This chapter outlined deeply established complexities which characterise literature on intergenerational poverty. It has also pointed out that the bulk of IGP literature is more concerned with the interactions which take place in IGP, rather than definitions of what IGP means. A critical analysis of the factors which recycle poverty through generations have been presented, the essential ones of which include; access to assets, household composition, genetic factors, family based entrepreneurship, as well as

spatial based factors. Considering that wealth or poverty transmission takes place in a household, the chapter has made efforts to deconstruct the notion of households. By doing so the study demonstrated that households take profound shapes, all of which are strongly linked. The conclusion made from assessment of household characteristics is that, although households are considered outside generic institutional discourses, they are infact credible systems, which should be viewed as poverty alleviation institutions. Finally the chapter has attended to global and local discourses on the middle class households.

CHAPTER FOUR: RESEARCH METHODOLOGY.

4.1. INTRODUCTION

The previous chapters reviewed literature on intergenerational transmission of poverty and wealth, and the dynamics which shape these transmissions. In this chapter, the study presents the methodology which guides the primary data collection. The methodology outlines the data collection approach, the target sample, the rationale for selection of the sample, as well as the data analysis process. Importantly, for the study to maintain its exploration theme, the data process and content revolved around the same research objectives which chapters one to three sought to examine. These objectives are:

- (a) to understand how new wealth is being distributed in previously disadvantaged households
- (b) reveal the new dynamics created by new wealth in previously disadvantaged households
- (c) examine how this dynamism relates to intergenerational poverty traps.

With the objectives in view, then, the following methodological framework was employed.

4.2. METHODOLOGICAL LESSONS FROM SIMILAR STUDIES

Collecting information of intergenerational nature is a complex task, considering that a relatively extended time span is required. *How* to obtain the extended period information was the fundamental determinant of the approach to be used. This posed some considerable challenge to a short span study such as this one.

Notwithstanding, according to Jenkins and Siedler (2007), there are some broad ways (or what the noted authors call data requirements) in which intergenerational studies could be conducted, of course with differing degrees of accuracy. These authors suggest consideration for the following:

- (a) Measures of well-being – Any data used to measure intergenerational poverty should utilise well-being measures such as income, wages, different types of capital such as physical and social capital, nutrition as well as housing conditions. They further emphasize that the

well-being measures above should be examined for both parents as well as their children, as this constitutes ‘intergenerational’.

(b) Demographic measures –Intergenerational data collection should also involve ‘parents’ and children’s age, education, health, housing conditions, family structure, employment histories and neighbourhood characteristics” (Jenkins and Siedler 2007:2).

(c) Family linkages –By family linkages, these authors suggest an examination of the ‘growing up narrative’ and how this narrative might have empowered or disempowered an individual, during their process of growth. Here an assessment of family backgrounds, with consideration such as household composition and household size, matters. Jenkins and Siedler (2007) caution that middle age income and wages (rather than childhood income or wages) should be included, considering that there are very limited cases (if any) of childhood income sustainability.

(d) Although Jenkins and Siedler suggest large (representative) quantitative studies, others such as Miller (2007) have triangulated quantitative and qualitative methods, mainly using histories of given households to determine intergenerational poverty.

In a Bangladesh study, Hulme, Moore and Shepherd (2001) have created a useful qualitative matrix, to determine intergenerational poverty. In their matrix, these authors categorise poverty into five categories: Always poor, usually poor, churning poor, occasionally poor and never poor. The difficulty with this matrix is that it does not distinguish between households and individuals. The indicators can however be modified, to address an intergenerational quest.

The methodology used in this study, therefore, drew lessons from the foregoing, although with varying levels of caution. The varying extents of caution were based on the common theme between the current study and the above mentioned, namely, intergenerational outlook. There are however some important differences. First, this study is interested in emerging perspectives, a theme which points to the need for a qualitative exercise. On this, the study deviates from Jenkins and Siedler’s (2007) quantitative data requirements. Additionally, although this exercise is concerned with intergenerational transmission of wealth, it chose to essentially focus on the notion of ‘new wealth’, and how historical household wealth has influenced (and continues to influence) the distribution of this new wealth. This focus is

different from other studies, in that it identifies a ‘change point’-that is, the transition from poverty into wealth, and the dynamics which function beyond the change point. The exclusive attention to previously disadvantaged black South Africans adds a unique socio-cultural dimension to economic behaviors.

On the positive, this study found the family linkages methodological framework more suitable for studies such as the current, considering that no records have been kept from previous generations primarily in the interests of this thesis. Intergenerational information was therefore obtained through recalls.

While this thesis adopted a deliberate bias towards new wealth, it also relied on Systems Thinking framework to make its case. Enlightenment on how Systems Thinking was operationalized in the data collection process is now necessary, and is discussed below.

4.3. SYSTEMS THINKING APPLICATION

From its outset, the study stated its intention to use Systems Thinking as an analytical framework. The nature of the study influenced a modification of orthodox Systems Thinking, (which follows a precise modelling form), to suit the ubiquitous shape of the issues under investigation. In this context, rather than using Checkland’s (2000) step by step process, the study treated an household system as part of a broader intergenerational system, and thus made ‘system connections’ in the survey instrument (and effectively in the data analysis). In otherwords, the researcher was interested in identifying and analysing the interactions occurring among a network of issues, entities and individuals. The underpinning supposition was that, aspirations, priorities, attitudes and behaviours do not occur in a vacuum, they are part of always interacting forces. This study therefore attempted to find these interacting forces.

More specifically, in applying Systems Thinking to its objectives, this study considered the household as a Meta system, which consists of subsystems such as occupational systems, financial systems and education systems. These sub systems inevitably shape the functioning of the Meta system (household) just as the household functioning shapes the functioning of its sub systems.

Applying Systems Thinking in development economics essentially disqualified the tacit but popular tripartite notion that, (a) households behaviors can be fully understood, (b) that they

trace their character from a specific cause, and (c) they can be analysed as individual units. This disqualification is founded on the delegitimization of the machine age by Systems Thinkers such as Ackoff (1997). The data collection instrument therefore sought to understand the loops and patterns (see Reed, 2006) which occur between the household meta-system and the related subsystems. This quest also considered the probabilities of Morgan's (2005) 'system nourishment' which might result to new capacity and performance of a household. The methodology process also considered the reverse, that when the meta-system is starved, it potentially begins a downward spiral, eventuating into entropy (Morgan, 2005).

Within the above philosophical thought, households were treated as complex systems with feedback loops rather than end points. Considering Brown (2007) description of feedback loops, households constitute numerous emergent properties and elements, in which case, change in one property or element augments the original change (positive feedback loop) or change in one property disempowers the original change (negative feedback loop).

4.4. RESEARCH DESIGN

4.4.1. Approach

In terms of approach, the research questions sought an understanding of a subjective social phenomenon, which participants extricate interpretations, meanings and experiences from – what Saunders, Lewis and Thornhill (2003) refer to as Interpretivism. Interpretivism studies concern themselves with understanding how social experiences tend to manifest varieties of interpretations, as human beings (social participants) try to make sense of their situations. In the case of this study, with new wealth being a social phenomenon, its distribution is conditioned by meanings and interpretations of circumstances which surround the distributing party –in the context of this study, the new black middle class household.

By adopting an interpretivist philosophy, this work adopted an inductive approach, which is explorative in nature. 'Emerging perspectives' can be best assessed through *searching* for consistencies, contradictions as well as trends, and constructing a philosophy out of them. In otherwords, the study did not set out to confirm a pre-determined theory, it rather pursued an understanding of how new perspectives are emerging, the shape they have tended to take and the potential outcomes which they might yield. Saunders *et al.*, (2003) advise that inductive inquiries should utilise relatively small samples.

In light of the above, the thesis utilised a qualitative approach as a preferred research design for various reasons. First, as already pointed out, the dominant themes, ‘emerging perspectives’ and ‘intergenerational wealth distribution’ relate more to qualitative inquiry than quantitative. Second, the intergenerational wealth distribution dynamic is founded on household or individual economic behaviours, which are socially constructed and third, these behaviors occur within a framework of informal loyalties and obligations, which cannot be measured quantitatively.

Elucidating further on the meaning of qualitative research, Shank points out that it is a “... form of systematic empirical inquiry into meaning” (2005:5). A qualitative approach, as Lincoln and Guba (2000:3) point out, requires that the researcher “...study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them”. Studies which utilise qualitative approach concern themselves with questions such as

- (i) Why people behave the way they do;
- (ii) How opinions and attitudes are formed;
- (iii) How people are affected by the events that go on around them;
- (iv) How and why cultures have developed in the way they have;
- (v) The differences between social groups. (See Hancock, 1998).

Authors such as Bailey (2007) have argued that data on social studies is more holistic if conducted in a naturalistic setting (that is, the physical location where events and dynamics occur). This setting, as far as Bailey (2007:2-3) is concerned, enables researchers to “...derive understanding from the larger, complicated, multifaceted, social and historical contexts within which people’s lives unfold”. This approach is however less relevant for intergenerational studies, given that observing individuals in an intergenerational setting require a long period of observation, a luxury this study does not have. In addition, distribution of wealth is a confidential exercise, which cannot be simply observed.

Qualitative research seeks to organize ambiguities, as well as make sense out of what Saunders, Lewis and Thornhill (2003) call ‘elastic concepts’. These authors go on to present

what they consider as three main differences between qualitative and quantitative studies, as follows:

- (i) while quantitative data seeks to find meanings from numbers, qualitative research looks for meanings as expressed in words and concepts
- (ii) the outcome of a quantitative exercise is numerical and standardised data while qualitative inquiries yield non standardised data, which is classified into themes and categories
- (iii) quantitative data is expressed through diagrams and statistics while qualitative research analysis is conveyed through concepts.

Suffice to say, qualitative research has been criticised by what Silverman (2001) refers to as positivist tradition, which contends that respondents tend to construct narratives to suit the interview context, rather than provide an objective assessment of their social world. This argument is however challenged by interactionist tradition which posits that qualitative research “provide access to the meanings people attribute to their experiences and social world” (Miller and Glassner 2004:126). These meanings and interpreted experiences in turn construct a ‘working world’ for research subjects, which this study seeks to examine.

Summarily, the themes of this study, namely, middle class household economic behaviors, formation of opinions, attitudes and economic actions and how circumstances influence households; all these find strong linkages with Lincoln and Guba’s (2000) conditions of a qualitative study.

4.4.2. Sampling Technique

Sampling takes two forms; probability and non-probability (Bailey, 2007; Saunders *et al.*, 2003). Probability sampling selects a sample out of a representative population, and is most suitable for quantitative research, simply because it seeks to generalize findings on the basis of the entire population (Bailey, 2007). Probability sampling takes the form of simple random sampling, systematic sampling, stratified random sampling and cluster sampling, all of which provide equal chances for each sample to be selected (Saunders *et al.*, 2003). Authors such as Henry (1990) do not recommend probability sampling for less than fifty cases.

Non probability sampling on the other hand, is less standardized, and essentially non representative. For Patton (2002), the size of the sample is less important than the analysis. The main forms of non-probability sampling include quota sampling, purposive sampling, snowball sampling, self-selection sampling and convenience sampling (Saunders *et al.*, 2003). The researcher finds credibility in purposive and snowball sampling, as the most suited techniques for this study. These two are elaborated below.

Purposive sampling is usually applied in the circumstance of relatively small sample, and, when particular individuals are likely to provide the required information (Saunders *et al.*, 2003). In other words, purposive sampling aims at obtaining responses from the most (known) productive participants. As Saunders *et al.*, (2003) note, snowballing sampling is applicable in cases where identification of respondents poses a challenge. The initial contact is made, and, the researcher makes use of the first respondent to identify others who are acquainted with the first respondent in one way or another. The referral process continues with the second respondent, who refers a third one; the third refers a fourth one, and so on. Purpose sampling methods are most suitable for this study, assisted by snowballing techniques to ensure a sufficiently large sample. Thus, while purposive sampling “...enables [the researcher] to select cases that ...best...answer... research questions and... objectives” (Saunders, *et al.*; 2003: 176), snow balling helps to “...identify further members of the population, who then identify further members, and so the sample snowballs” (ibid:175).

Applying the above to this exercise, the research interviewed nineteen middle class black African households, with the study adhering to the ‘saturation principle’ as suggested by Bertaux (1981) and Guest *et al.*, (2006). These authors (Bertaux, 1981 and Guest *et al.*, 2006) have suggested that fifteen sample size should be the minimum target for qualitative studies based on the conclusion that after the fifteenth interview the probabilities of any new information are significantly low. Green and Thorogood (2009) on the other hand have argued that most of qualitative data begins to saturate around the twentieth or so target. The differences in threshold might vary depending on the specific subject of investigation. The sample target of this study went beyond Bertaux (1981) and Guest *et al.*, (2006) threshold, but fell just outside Green and Thorogood (2009) border. As far as this exercise is concerned, there was hardly any new theme emerging after interview thirteen, which makes the lower bound argument (Bertaux 1981, and Guest *et al.*, 2006) seem accurate.

Based on the above, while the choice of 19 middle class respondents might suggest inconclusive results from a quantitative premise, this study is qualitative and is interested in perspectives and experiences of the interviewed individuals, as indicative of broader experiences and perspectives of new Black middle class South Africans. This is not to suggest national representativity, rather detectable trends of experiences. Thus, a new black middle class individual based in Newcastle, KwaZulu Natal, is likely to demonstrate new wealth through purchasing an expensive car, just as a middle class individual based in Johannesburg. Unlike in a quantitative case, for this study, the inquiry does not seek to understand how many new black middle class individuals possess X number of expensive vehicles. It intends to determine why a new black middle class chooses to purchase an expensive car, and to what extent is this choice shaped by previous state of scarcity or deprivation.

The thesis limited itself to black African households based in Newcastle Local Municipality, Amajuba District. Within this geographic framework though, more deliberate selection was made, with the selection guided by arguments already made in chapter three, and thus used four indicators for the sample selection to be achieved. Three of these indicators have been derived from the following presentations. First, in Kharas and Gertz (2010) persuasion which considers middle class households as those within a comfortable lifestyle? For Kharas and Gertz, comfort manifests in the ability to afford decent health care, decent housing, job security, higher education, reasonable retirement benefits as well as surplus income for leisure activities. Second, in Southall (2004c) occupational based indicator which categorizes as middle class those who hold employment positions in government or corporates and third, the income based indicator, popularised by Visagie and Posel (2011) among others.

A point of clarity, and as demonstrated in the above set of indicators, the interest of this work is not wholesale black South Africans, rather, middle class households whose previous generation was anything lower than a middle class. The adopted definition of middle class is different from Statistics South Africa definition, which considers middle class households as those with “formal housing...water tap in the residence, ...a flush toilet in the residence,...electricity as the main lighting source, ... electricity or gas as the main cooking source, and ...a landline or a household member having a cell phone” (Statistics South Africa, 2009:1). Chapter three has already contested this definition, arguing that Statistics South Africa draws its middle line too low, effectively flattering survival dynamics. This is to

say, the Stats SA classification of a household as middle class, becomes easily entangled with households survival behaviors, such as the tendencies for illegal water and electricity connections in many township based households.

A higher threshold proposed by Visagie and Posel (2011), classifies as middle class households within R1, 400 and R10, 000 range, per capita per month in 2008 prices. Visagie and Posel's proposal is based on the median income as a reference point, and the 50% to 150% spread from the median income.

The above indicators were triangulated for maximum effectiveness, thus a participant needed to meet at least one of the three indicators. What this means is that, black African middle class households were screened into the sample on the basis of *either* their household location, their occupation or their monthly household income. In terms of location, Newcastle Municipality is categorized into what is commonly referred to as the Western suburbs (with decent road and water infrastructure) which are in national as well as global terms relatively affluent; the second category being Newcastle East, consisting of Madadeni and Osizweni townships where majority of the municipal households are located. The townships are typically poorly served by the municipality, densely populated and essentially considered as poor (although there are a number of surprise cases as will be noted in the analysis).

Within the above locational framework, deliberate efforts were made to interview households based in Newcastle Municipality's western Suburbs - Aviary Hill, Hutten heights, Pioneer Park and Signal Hill all of which are administratively categorized as middle income suburbs. On the occupational indicator, the main breadwinner had to at least hold a mid-level or senior post in government or in the corporate sector. Self-employed household bread winners or co-breadwinners who met the income or the locational criteria were included in this (occupational) indicator. On the income indicator, the study elected Visagie's upper bound middle class point, (households which earn R, 10,000). Given that this research was interested in meaningful distribution of new wealth across generations, it was important to examine households which have a fairly significant income which provides them with distribution capabilities. In this context, Visagie's R10, 000 (per capita per month) middle class upper threshold was considered as the minimum, as far as the screening of participants was concerned. Worth noting here, as Deaton (1997) observes, expenditure based measurement of wealth has been proved as more effective to determine income, than directly

asking respondents about their income. Income based questions tend to produce non responses. The researcher therefore utilized this technique to determine income measurements.

To ensure that only households which represent new wealth were sampled, not only was an elimination question included in the interview guide, but also the researcher informally establish the income status of the previous generation in a given household before considering a sample household.

With the foregoing pre-text, then, initial contacts were made with seven purposively selected black African middle class households. The researcher utilized his existing informal networks with a number of households who, going by the stated criteria, qualified as part of the target sample. Following these initial contact, in a snowball approach, the purposively selected respondents were requested to refer their acquaintances until the final sample size of nineteen was achieved.

4.5. THE RESEARCHER'S INTERACTION WITH THE RESEARCH PROCESS

Qualitative research such as the current reflects some powerful frictions of social, psychological, economic, cultural, as well as political factors, all of which are deeply embedded in the researcher's world view, as they are in the participants. In otherwords, this research occurred within a social constructivist framework, with meanings and interpretations emerging from both participants and the researcher as conversations evolved-making this research a complex journey. In this context, the researcher was a 'traveller' rather than a 'miner' to use Kvale and Brinkman (2009) metaphors. For these authors, while an interviewer miner seeks objective facts from participants, an interviewer traveller makes a long journey into the participants' lives, in search of knowledge (Ibid). In this metaphor, the interviewer does not only find a story to tell, she also changes in the course of the journey. This then was the case with the researcher.

The questions posed in the interview, the way of interaction with research subjects and the interpretations of the participants' expression of their lived realities occurred from the researchers multiple identities as follows. At the time of the research inquiry, the researcher was aged 33 years old, a black Kenyan immigrant, Christian theologian, husband and a father, a business man, a professional development economist and part of the middle class (conventionally defined). Adding to the above identities, the researcher left his home country

at the age of twenty to a foreign country as an undergraduate student, armed with nothing more than Abrahamic faith in God. The deep sense of independence from a young age, risk perceptions and determination produced by the researcher's life experience inevitably shape the researcher's questions and interpretations of gathered information. That is to say, the researcher is deeply aware that his life experience is more than often stored in the subconscious mind as an ideal life, that all human beings should be entrepreneurial, self-disciplined, risk takers and independent. This is of course unreasonable expectation in a complex human society, but human imperfections do not have the capacity to produce perfect ideals or rationales. Except that recognition of personal imperfections and those of 'the other' and that in the main these imperfections are cosmic causations rather than a personal choice, is a noble discovery towards productive relationship within the human society.

To put the above into perspective, as a black Kenyan immigrant, the researcher's journey involved a re-orientation of a community based lifestyle which is a common way of life for majority of humanity, but not necessarily the researcher's way of life. There were times when the researcher's emotions oscillated between impatience with some participants' household members who would rather continue bearing children even though they were on full financial support by the research participant, in other times the researcher was deeply empathetic with young black South Africans who in the researcher's view deserve to enjoy their hard earned wealth rather than sacrifice further education and even delay their own marriages for the sake of providing for their parents and siblings. But were the researcher's emotions –impatience and empathy-justified? Only so in the researcher's life experience lenses rather than the lived experience of the participants or their dependents. Some responses forced the researcher to introspect and sometimes question these silent emotions.

Thus, as the chapters which follow reveal, some participants were genuinely contented with supporting large households, even though this undermined their potential for future investments, others went out of their way to support non relatives out of what one participant referred to as a 'silent obligation', and others still, were categorical that they would rather not extend support to dependents outside their own children. In some other cases, the researcher found 'loud obligations' where parents demanded support from their children, and so this support was not a choice –yet in at least one case, the participant felt that this demand was justified. The researcher did not take these contradictions lightly. They were clear 'awakenings' on the part of the researcher that this was a complex expedition, and that

personal views were only fractional to the larger narrative of the new black South African middle classes.

Just like the researcher's multiple identities played out sometimes powerfully in interactions with participants, these identities also played out in the researcher's analysis of participants' expressions, as they did in the participants' interpretation of their own realities. Although to a limited extent there were occasions when the researcher's identities overlapped with the participants (black, middle class, husband, father, professional and an entrepreneurs) the researcher is deeply aware that there is no measure of interaction, insertion or even language which can sufficiently replay black South Africans apartheid experience. Yet the apartheid experience has profoundly shaped black South Africans world views and interpretations of their own reality. This thesis therefore presents a narrative told by black South African middle classes participants as interpreted and retold by a Kenyan immigrant.

4.6. DATA COLLECTION

4.6.1. Ethical Considerations

Ethics in research according to Saunders, Lewis and Thornhill (2003) relate to access of information from the target sample. These authors rightly observe that information access can be constrained by perceptions on the part of respondents that their participation does not add much value to them; the information being sought might potentially risk respondent's privacy and, reservations about the interviewer's trustworthiness. These factors can potentially produce at least three outcomes. First, a respondent with any or all of the above concerns might withdraw from the study, which could slow down the process of data collection. Second, a respondent who has withdrawn from the study could negatively influence other respondents, depending on the nature of the study. Third, inspite of reservations to participate in the study, a given respondent might choose to provide distorted information rather than withdraw from the study. Saunders, Lewis and Thornhill (2003) further note the importance of establishing informal acceptance, in additional to formal arrangements.

On her part, Bailey cautions against conducting field work without administering informed consent, against deceiving respondents and against breaching respondent's confidentiality. These issues are discussed below

(a) Informed consent

Sociological studies (such as the current), notes Bailey (2007), should ensure that respondents are offered an opportunity to concede, refuse or withdraw from the study at any time. The American Sociological Association (quoted in Bailey, 2007) suggests the following 11 steps which should be adhered to, in establishing an informed consent. They include:

- (i) Respondents should be made aware that they are participating in a research exercise
- (ii) They should be informed on the objectives of the study
- (iii) They should also be informed on the processes which would be used in conducting the study
- (iv) Potential and explicit risks and benefits should also be clarified to the respondent
- (v) The researcher needs to clarify if the research exercise is voluntary
- (vi) Respondents should be notified of their freedom to withdraw from the study at any given time, as well as the fact that
- (vii) Withdrawal or refusal would not attract any foreseeable consequence
- (viii) The researcher should clarify on the mechanisms which will be established to protect confidentiality
- (ix) The respondent should be free to ask as many questions as they consider important for clarification of the research in question
- (x) The researcher should avail any information relevant to a respondent, even if the respondent has not asked for it.
- (xi) Researchers should be clear on what the expectations for the study are, as far as respondent's participation is concerned.

The question of recording of interviews should also be explained to the respondent, and should only take place conditional to the respondents consent (Glesne, 2011).

The informed consent, Bailey (2007) continues, should be communicated in a simple language, and, the intentions to gather their views as well as a copy of the informed consent should be provided to the respondent before the research begins. The informed consent

should not be issued as a protocol process, it should be signed by the respondent as an indication that the respondent has accepted to participate.

(b) Deception

Although a strong word, for Bailey, deception is a common occurrence in data collection, which arises from miscommunication on the part of the researcher. This could either be intended or unintended. There are contrasting views, though, on whether deception should, or should not be permitted considering various dynamics of social research. The proponents content that full transparency might influence respondents to economise information, or to construct their responses based on what they perceive as the expectations of the researcher (Bailey, 2007)

In view of the above, this research established contacts with respondents for the purposes of introducing the study, and providing an opportunity for consenting or declining to participate in the study. The research only began after respondents have signed the consent form.

More on ethical concerns, on the issue of accessing respondents, the researcher was well acquainted with a number of black Middle Class individuals, and therefore possessed informal linkages with potential respondents.

(d) Breaching of Respondents Confidentiality

On confidentiality, authors such as Bailey (2007), Saunders *et al.*, (2003) as well as Silverman (2004) draw attention to the importance of guaranteeing confidentiality of respondents' identities and responses. Confidentiality also allows researchers to guard against any possible back trace of data to a particular respondent (Crow and Wiles, 2008). Crow and Wiles further suggest the use of pseudonyms or concealing of gender or location (2008). In any social research, whether the research is of a sensitive nature or not, confidentiality seeks to eliminate (or minimise) any potential unseen back clashes which might result of revealing identities.

This thesis coded respondents' names and thus concealed their identities. This was clarified at the outset to the participant, and was included in the informed consent form. Although the respondents are known to the researcher, the analysis of information deliberately avoided disclosing the participants' non descriptive identity.

4.6.2. Research Instrument Development and Administration

The qualitative nature of this study merited an equally non standardized data collection procedure. The two main data collection styles in a qualitative study are, semi structured and unstructured interviews (See Saunders *et al.*, 2003). Semi structured interviews typically present themes in an interview guide, and are mainly target key informants (Ibid) while unstructured interviews take the form of a focused conversation with the interests of the researcher being a reference point (Bailey, 2007). There is a thin difference between semi structured and unstructured interviews. Bailey points out this difference as follows: “During an unstructured interview, the interviewee is given fairly free range to talk about any aspect related to the broad interests of the researcher; as long as he or she does not stray too long or too far from what the researcher thinks is important” (2007:96). In the case of semi structured interviews, some level of flexibility is usually allowed, although a general structure needs to be maintained (Bailey, 2007). An interview guide is used as a framework for semi structured interviews, although the researcher can deviate from the thematic order provided that the deviation remains broadly within the interview guide.

Based on the research questions and objectives, as well as Bailey’s persuasion that interpretive paradigms (such as the current) tend to use semi structured or unstructured interviews, semi structured interviews were used in collecting data. Semi structured interviews provide an opportunity for the researcher to explore questions or issues which had not been thought out before. The researcher probes specific leads, which the respondent might hint even if vaguely. In this context, a thematised interview guide was developed. The interview guide constituted of five themes, as outlined below.

- (a) Screening criteria
- (b) Demographics
- (c) Previous generation’s economic well being
- (d) Current household economic status
- (e) Perspectives on distribution demands

The interviews were conducted over a span of two months, between May 12th 2014 and July 10th 2014. The researcher conducted the interviews through face to face (as opposed to

telephonic or electronic) in the respondents preferred location (and therefore not necessarily in the household).

Face to face interview strategy provides a 'free' environment for respondents to provide their perspectives, as well as a suitable chance for the interviewer to probe further on responses that appear 'leading', far more effectively than telephonic or electronic strategies. More merits supporting face to face strategy are that; (a) the researcher can probe deeper on issues that are not fully exploited (b) facial expressions which communicate attitudes are easily detected and (c) the respondent is able to provide full attention to the researcher.

The researcher did not outsource the data collection process, given the importance of capturing expressions, verbal and non-verbal. The preferred location factor provided a fairly neutral environment which provided the participants with confidence to express perspectives and challenges without being influenced by the presence of household members. The interview schedule was administered in English.

The interview guide was piloted among seven middle class households based in Newcastle Municipality, - three white households and four black households. The racial mixes were deliberately selected to assess whether the interview guide would prompt responses within the study objectives. The pilot used purposive sampling, especially because the target was exclusively middle class using the geographic, income and occupational indicators discussed above. The option to use expenditure based probes rather than income based, is a result of the pilot where respondents were not necessarily forthcoming in volunteering their income questions.

After the pilot, the interview guide was amended and forwarded to the respondents beforehand either by mail or hand delivery, following which appointments were made. In this context, Saunders *et al.*, (2003) contend that prior communication of intentions and objectives of the study is likely to contribute towards reliable data by respondents, especially because this is an opportunity for them to conceptualise the objective of the study more clearly.

During the process of administering the interview guide, with the respondents' consent, interviews were recorded, with the intention of ensuring that important details were well captured. Recording further assisted in minimising biases especially from the researcher. As

Healy and Rawlinston (1994) advice, the reasons for using a recorder was explained to respondents before obtaining their consent. Further advantages of recording include; allowing the researcher to concentrate on questioning and listening, the researcher can re-listen to the interview and the researcher can analyse and use direct quotes by respondents (See Saunders *et al.*, 2003). The researcher took hand written notes during the interview, especially to capture nonverbal responses, as well as to underline important responses.

4.7. DATA ANALYSIS

Transcription of the recorded interviews was done as soon as the interviews were completed. Hand notes especially capturing non-verbal responses made during the interview were also utilised during the analysis. Based on Saunders *et al.*, (2003) proposition on analysis of qualitative data analysis techniques, verbatim and diagrammatic accounts were utilised in the efforts to capture key words and phrases. These authors further suggest open coding as the first stage of analysis, then, disaggregation of data into conceptual units. The initial coding involved reading the data as much as possible (see advice by Bailey, 2007). This rather rigorous exercise generated as many codes as possible, accounting for the fact that later re-coding either added or eliminated some of initial codes (Bailey, 2007). The study preferred to use ‘*in vivo*’ codes-that is, the actual terms used by respondents (see Strauss and Corbin, 1998). The length of data categories and subcategories was determined by the responses obtained from the interviews.

Following the open coding was axial coding, where the study identified “...relationships between the categories of data that have emerged from open coding” (Saunders *et al.*, 2003:400). At this stage, the coded data was reduced and re-classified into broader categories, which are more conceptual than literal. In otherwords, the initial codes were re-organized into broader concepts.

Summative content analysis followed axial coding. This involved analysing manifest content, as well as latent meanings and themes, as asserted by Zhang and Wildemuth (2009). In this phase, the researcher searched for connectivities of themes, and relationships between and within sub-categories. Because the study used Systems Thinking as a theoretical regime, identifying the nature of relationships between household (the Meta system) and sub systems was critical. Specifically, the economic relationships which occur within households and the

forces which shape these relationships were identified, and therefore previous codes were modified.

The coding was not an end in itself; it rather resulted to a narrative analysis of the issues, questions and dynamics of wealth distribution in an intergenerational framework. The narrative analysis was founded on the project objectives.

Worth noting, the process of data collection, coding and re-coding functioned within what Saunders *et al.*, (2003) term as analytical aids, which is to mean, summaries of observations, and short hand notes, use of self-memos to capture ideas as the data process evolves, and a diary to record events or issues which ultimately have a bearing on the final data. These analytical aids ensured ensure that critical details were not left out.

4.8. CONCLUSION

This chapter presented the methodology which guided the data collection process. The methodology chapter is imperative in that it maps out a scientific procedure, which augments the legitimacy of the findings. A scientific data collection exercise enables other researchers in different contexts yet with similar interests to replicate this study. The chapter narrated the how the use of a qualitative framework presented opportunities and challenges alike, and how these were exploited to produce rich data.

CHAPTER FIVE: MIS-ASSUMPTIONS, IDENTITIES AND INTER-RELATIONSHIPS OF THE NEW BLACK MIDDLE CLASS.

5.1 INTRODUCTION

The study now turns to analysis of the primary data, on the basis of the objectives of the study and, against the backdrop the reviewed literature in chapters two and three. Although there are a number of sub-themes emerging from the analysis, the study groups these into two broad themes.

Chapter Five forms the first broad theme which exposes the assumptions, multiple identities and relationships which interplay in intergenerational wealth distribution among the new black middle class households. The Chapter contends that the dynamics of the middle class reveal intense and shallow inter-relationships alike, as well as multiple identities of the new black middle class, all of which shape and are shaped by wealth distribution. Disentangling the sorts of relationships and identities of the new black middle class helps shed light on the attitudes, motives as well as available (or unavailable) choices which face this class.

The second broad theme is featured in Chapter Six, which analyses the intergenerational transmission of aspirations, savings and investments. The Chapter examines the socio-economic conditions which shape wealth redistribution patterns. This examination reveals that the previous generation mainly transmitted aspirations and hopes rather than tangible wealth or assets. This aspirational transmission appears to produce resentment among some of the interviewed participants, while others largely attribute their middle class status to the aspirations of the preceding generation. The current black middle class is better placed to transmit both aspirations as well as assets to the next generation.

The current chapter is structured as follows. For the purpose of situating issues in a meaningful context, the first sub-theme examines the misunderstandings which appear to govern the characterization of the new black middle class. This is followed by presentation of the common features which cut across the new black middle class, and, relate to wealth distribution. Next is a discussion on multiple identities of the new black middle class, and implications on wealth distribution. Section five picks up one strand from the identity discussion, namely, unbounded identities, and explores how it shapes intergenerational

wealth redistribution. Finally a re-theorisation of poverty is proposed, putting forward little p and big P poverty classifications and making a case for its application on the new black middle class.

The second broad theme which features transmission of savings, investments and aspirations from the immediate past generation to the current and into the immediate next, is analysed. Both chapters therefore enlighten on the findings of the research, and relate these to the overall focus of the study.

5.2. ASSUMPTIONS AND MISUNDERSTANDINGS AMONG THE NEW BLACK MIDDLE CLASS

In this sub-section, the existing convergences and divergences of the new black middle class are discussed. The objective is to understand (even if in part) the dynamics of the new black middle class, and by so doing gain a more meaningful perspective on their economic realities and potential. Understanding these kinds of dynamics allows for realistic projections of the extent in which this new black middle class is likely to influence South Africa's future socio-economic landscape.

The recurring tendencies have been misrepresentation of the new black middle class as if they were one neat group. The journalistic approach referred to earlier in the thesis is especially a leading influence in this generalization, although traces of scholarly work also reveal generation tendencies (See, for example, Statistics South Africa, 2009; Ncube, Lufumpa and Kayizzi-Mugerwa, 2011) Premising from these styles of generalizations, in an interview with city press, the African National Congress Secretary General Gwede Mantashe lamented that the new black middle class was morally indebted to support the ruling party mainly because they “are beneficiaries of [the] progressive policies of the ANC [and they] must appreciate the history and where we are today...We should engage them, raise their level of consciousness so that when they take decisions, it is not on the basis of an incident or one issue” (15th June 2014). First, Gwede Mantashe holds a dichotomized view between ‘them’ and ‘us’, suggesting the different yet homogeneous group of society. He also suggests that all the new black middle class are beneficiaries of the country's post-apartheid African national Congress politics and policies.

What is more, by claiming the need to ‘raise their level of consciousness’ Mantashe expects nothing less than full support from the so called new black middle class. In even further castigation of the new black middle class, Mantashe argues that “... those who stand to benefit from change ...must be able to defend that” (City Press, 15th June 2014). Mantashe continues as follows;

“I find it strange for someone in the black middle class to neglect a party that promotes Black Economic Empowerment and employment equity and go for a party that says it should be all about ability that these policies should come to an end. For example, the middle class in Gauteng should lead the debate on e-tolls, on world-class infrastructure of Gauteng. They should bring ideas, not toyi-toyis” (City Press, 15th June 2014).

This argument was a response to significant loss of African National Congress members to the opposition party- the Democratic Alliance, in the 2014 General Elections. Strange indeed for Mantashe, simply because these unmet expectations reflect a linear view of the black middle class, and the dynamics within which their socio-economic and political choices and practices thrive. First, the ‘us’ versus ‘them’ dichotomy assumes that the middle class are not part of the state. This assumption is misleading; in that some black middle class (and as far as the findings of this study are concerned) are part of the state, while others are in the private sector. In fact, Southall (2014) goes as far as asserting that the black middle class shaped the African National Congress and not vice versa. Second, the locational reference to the middle class misrepresents the sector dynamism. It is difficult to defend the view that there is such a group as ‘middle class in Gauteng’.

From within academia, authors such as Southall (2007) echo global positivism in so far as the middle class and democracy is concerned. Contending from a spatial view, Donaldson, Mehlomakhulu, Darkey and Dyssel (2013) found that the new black middle class preferred to live in townships as a sign of constant demonstration of wealth among poor households within townships. Southall’s (2007) optimism is however a misfit for Donaldson *et al.*’s categories of the new black middle class. Donaldson *et al.*, (2013:2) divide the new black middle class into three categories, the typical neoliberal group which has worked hard for their wealth even though they might not be well educated, the occupational group which is well educated and therefore earns large salaries and, what they dub as “a dubious group of

blacks who are wealthy because they are politically aligned to the ruling party, having greater access than others to government-related projects and employment opportunities”. Donaldson *et al.*, (2013) would differ with Southall (2007), especially on the third category in their taxonomy, on the role of the middle class in maintaining democracy. The assumption here being that the politically aligned blacks are unlikely to challenge the state in any fundamental way. That said, while Donaldson *et al.*,’s (2013) taxonomy might be useful within given limits, these authors fail to acknowledge that all the three categories can be considered products of the state and that many nation states emerging from colonialism pursued a deliberate objective of state manufactured middle class. Although Donaldson *et al.*, (2013) do not explain their use of the term ‘dubious’, they are likely to refer to the corruption tendencies of the politically connected middle class segment. Supposing this is the case, these authors assume that political connectedness automatically yields homogeneously corrupt middle class segment. This totalitarian conclusion is unlikely.

Evidently, thus, the new black middle class is highly misunderstood, overestimated and overtaken, mainly due to an as yet inadequate understanding of its dynamics. These notions have yielded frustrated expectations, and surprises on both political and economic fronts. As Donaldson *et al.*,’s ‘dubious’ notion might partly suggest, , in spite of the expanding black middle class, corruption has increased, and, there are signs that the rule of law is no longer *Sine qua non* principle whether from the state sector or from the non-state sector (Mashele and Qobo, 2014). Arguably, the question of failed expectations of the new black middle class issues from the misunderstanding and mis-estimation of its character and behavior. These misunderstandings are in part produced by dearth of empirical data among the new black middle class in so far as its character is concerned, and therefore the tendencies to romanticize the new black middle class.

The foregoing conclude that politicians and scholars who settle for the assumption that the new black middle class is an homogeneous group, and therefore homogeneous social, economic or political behaviors should be expected, gravitate towards a rather limited and linear approach. This settlement requires expansion. This is not to say that there are no commonalities among the middle class, there are. These common features are however on a general rather than micro scale, and therefore do not suggest a collective or homogeneous action. The common characteristics among the new black middle class are discussed below.

5.3. COMMON FEATURES AMONG THE NEW BLACK MIDDLE CLASS

5.3.1. The 'Newness' factor and wealth distributional implications.

As argued throughout this thesis, the black middle class illustrates a new phenomenon. This newness is not an end in itself; rather, it masks some profound meanings and characteristics. Some of these meanings resonate with global articulations; others are unique to South Africa. In terms of newness, like the Chinese new black middle class and unlike European or American middle classes (See Ekman, 2014), or even unlike the white middle class in South Africa, achieved wealth is a new realization, which suggests different attitudes towards this wealth, in comparison to established intergenerational middle classes.

It is important for the majority of the new black middle class to articulate this achievement in the form of status, as an indication of progress. This economic behavior confirms Huberman and Loch's (2004) argument, that "...humans strive not only for access to resources and material benefits but also for intangibles such as status, which is characterized by a rank ordered relationship among people associated with prestige and deference behavior" (2004:1). Status is also viewed as power (Huberman and Loch, 2004) in the sense that an individual or household is capable of living luxurious lifestyle – in itself a sign of financial power in society and the wealth-induced power to influence others/situations.

It is interesting for example to consider how the current lifestyle for most interviewed participants is an achievement of what they aspired at a young age. Although growing up in a communal environment, for instance, participant A7 (19/06/2014) considered a private living place and owning a new vehicle as *somewhat* important. Both these aspirations are now achieved, and, participant A7 (19/06/2014) considers them as *very* important.

Also, participant A7 (19/06/2014) had the aspiration to obtain designer clothes when growing up, only to change views about this aspiration when he was able to afford. He cites the following: "I had aspiration of purchasing designer clothes. When I got money I decided that there was no need to purchase them because it was not the ultimatum" (Participant A7, 19/06/14). Here, Amartya Sen's (1999) capability approach is easily applicable and provides a reasonable account of the power of choice. Evidently, while in some cases the power of the middle class status lies in demonstrated wealth, in others, the power lies in the freedom to choose a preferred lifestyle rather than actually achieved lifestyle. The capability to choose a

particular lifestyle re-orders priorities, relegating some previously primary aspirations to secondary place while at the same time reinforcing others on the top of the priority list.

Over and above the *new* achieved wealth, the above points to new capability, new choices, new priorities and new fears. On fears, similar to Ekman's (2014) description of new Chinese middle class, the new black middle class fear falling back to their previous status. A majority of western middle class households also possess a level of fear, except that their fear is of losing their traditional middle class status (Ekman, 2014). There are also new expectations of the new black middle class, whether from the state, or from the society as a whole. This is explained by participant A1's experience (05/06/2014), where he, among other middle class household members, were given the task of meeting the financial requirements of his grandfather's funeral even though "...under normal circumstances from western culture the expectation would be on the direct children from grandfather...which is [his] aunts and uncles" (Participant A1, 05/06/2014).

Adding to the above, some participants such as A7 (19/06/2014), who has made a significant economic break from her father's household, attained university education and acquired property, considers the new status as a better standard than her parents, based on improved education, income and overall social development (Participant A7, 19/06/2014). The reference to 'better standard' implies status comparison. The point being that, the 'standard' is also new.

Inevitably, the newness factor plays a significant role in shaping wealth distribution, considering that the actual distribution as demonstrated by participant A1 (05/06/2014) in the grandfather's funeral case, are not unitary function of choice, rather a function of both choice and expectation. This balance is an obligation to a given extent, to another, a choice –or what participant A1 (05/06/2014) referred to as silent obligation. High levels of consumerism as observed by Southall (2014) are part of societal expectation, or the pressure of the new status. Arguably, these sorts of pressures on the new black middle class will last for a number of decades, as previously deprived black population group, new democratic state, and new markets gain more relaxed experience of the new black middle class wealth.

5.3.2. Shrinking Household sizes and wealth distribution

A further commonality found within the middle class is the shrinking of household sizes and the impacts of this on wealth distribution. Literature suggests that, household sizes among the

middle class in many western countries have contracted over time. According to the Council of Europe (2002) many households in Europe achieve, and aspire lean household sizes, thus the general trend has been a significant decline of household sizes since 1960s and 1970s. This is not a developed world phenomenon, developing countries reveal the same trend (Van Zyl, Cross and Donovan, 2008). Some of the main causes of the global shrinking of household sizes include increasing life expectancy and taking over of traditional household tasks by public institutions (Council of Europe, 2002, Clique, 2003). South Africa has especially revealed significant reduction of household sizes. Van Zyl, *et al.*, (2008) estimate that South African household sizes are declining at a rate of a quarter in every ten years. These authors attribute South Africa's declining household sizes to urbanization, modernization, increasing levels of education, as well as changes in the factors of production (Ibid, 2008).

Van Zyl *et al.*, 's factors (2008) seem to influence household sizes among South Africa's new black middle class, considering that social mobility from lower to middle class is part of the country's modernization process. The participants interviewed in this study, illustrate an urbanization trend, infact, it could be said of the new black middle class that urbanization is almost synonymous with social mobility. Almost all the interviewed participants have achieved lean households, with the family based households averaging between one and four children. As Zyl *et al.*, (2008) rightly point out, South Africa's new black middle class is strongly linked to rural or township based households, except that unlike the past generation, the new black middle class prefers to provide economic support towards rural or township based extended families while they (the middle class) live in urban areas.

Participant A4 (13/06/2014) is a reasonable verification of the foregoing arguments. She grew up in a household consisting of ten individuals, even though her biological siblings were only three. While Participant A4 (13/06/2014) is currently supporting extended family, inclusive of her sister who is in University, the participant has three children and lives in a suburb (with her husband and three children) away from the extended family. Participant A4 (13/06/2014) claims that the lean household is easy to manage, and possibilities for all her children to obtain economic opportunities are higher.

In similar fashion as Participant A4 (13/06/2014), participant A5 (17/06/2014) grew up in a household of about 15 individuals, consisting of siblings and cousins, under the care of their

grandmother. This household was based in a township in Port Shepstone. Participant A5 (17/06/2014) heads a lean household consisting of his four children and his spouse, based in a middle class suburb in Newcastle.

Yet, often these lean households reveal non-traditional internal household structures. Due to complex households from the past generation, reconstitution of lean households has facilitated social and cultural bargaining among the new black middle class. In other words, the new black middle class does not necessarily consist of a neat nuclear family. Separation, divorce and living together yet unmarried-these are common traits among the interviewed participants. Thus, participant A3's husband had two children, before he got married, and, after marriage, had two more children. This is therefore a family of six (inclusive of children) except that two children do not biologically belong to the participant. Participant A7 (19/06/2014) shares the exact same experience. This non-traditional structure might be reflective of the capability to make choices with less interference from cultural structures. Although there are cultural penalties for deviation from traditional household structures, the new black middle class is capable of meeting these penalties, and essentially taking charge of their preferred future.

Small sized household among the new black middle class are likely to break the poverty cycle. This conclusion draws from studies such as conducted by Lanjouw and Ravallion (1994) as well as Orbeta (2005), which suggest that household poverty tends to decline proportional to household size. Although small household sizes do not suggest limited economic commitments to the broader community, it is a movement towards a focused economic intervention towards the future generation. This focused intervention is likely to yield meaningful and sustained outcomes.

5.3.3. Selective Cultural traits and wealth distribution

The study further found that the new black middle class remains highly selective of certain aspects of the African culture. As pointed out in the preceding sub-section, traditional household structures do not necessarily replicate themselves among the new black middle class. One of the important issues in the marriage context of the African culture is dowry payment. This study was interested in determining attitudes towards dowry payment, as a wealth distributional mechanism albeit within a cultural rather than modern social system.

Notwithstanding the fact that the interviewed participants were all middle class, below are excerpts from three varying responses about practicing dowry payments.

“...ha ha ha I am an African. Lobola, uhmm...two things you must understand about Lobola. Number one it’s about pride, and number two, it’s about the kind of person that will be taking your child. How responsible that person is. ...a person should only get married when you are ready to get married. Why would you get married before you are ready to get married? Rather postpone till you are ready. In other words, I would not even consider giving them a starter up; they would marry without my blessing. Because that simply means they are not ready” (Participant A12, 22/07/2014).

“...Obviously. I think we would start the negotiations. If Lobola is our culture and if he understands this, I don’t think he should be the one who say – hey, can I not pay Lobola! – that will raise eye brows” (Participant A19, 11/08/2014).

“Yes I would...but not as a form of enriching myself, but as a form of culture. I would ask for the bare minimum. Some token, if I may put it that way. If I have to go to the point of err, look in today’s times, in terms of Lobola, it is a cow, because here in South Africa we measure in terms of cows...the good thing about our Lobola is they can us an amount now and pays us again in 20 years’ time” (Participant A17, 07/08/2014).

The above responses represent the general attitudinal trends as far as dowry is concerned, among the new black middle class. What is worth noting is that, regardless of individual’s social mobility, and while there might be variations in regard to the extent of dowry price, the principle of dowry practice is a major cultural identity factor among the new black middle class.

Cultural identity is however a selective exercise, as revealed in other aspects of culture such as taking care of the elderly. To be clear, only few of the interviewed participants complain about supporting the elderly in the previous generation. This is considered as a cultural duty. Moving forward however, none of the interviewed participants expects the future generation to support them economically. The aspiration is to enable the younger generation to thrive without the entanglements already discussed in chapter five. Still on cultural identity,

overwhelmingly, the interviewed participants do not see the possibilities of their children being supported by relatives or even the community.

The drifts noted above reflect fading cultural elements on one hand, on the other, die hard cultural identity, namely, dowry payment. Both these are likely to persist into the next generation, which of course will amplify current dynamics of the new black middle class. The fading cultural identities, especially will potentially recreate new socio-economic realities among the next generation's black middle class, while the resilient cultural identity is likely to disintegrate on an extremely gradual pace.

5.4. THE NEW BLACK MIDDLE CLASS AND IDENTITIES

5.4.1. Introduction

The identity question is at the centre of the new black middle class debate. An inquiry into what makes them behave the way they behave is therefore important. This section sets out to disentangle the various identities of the new black middle class, with the hope of shedding light on finding the 'why' from the 'whom'. The section will, in other words, examine from lived realities, the factors which shape behaviors, attitudes and actions of the new black middle class. The first sub-section situates the identities of the new black middle class within neo-liberal and neo-Marxist traditions. Admission into these theoretical positions essentially relate to attitudes of the new black middle class towards wealth creation and distribution. The second subsection will assess cultural identity among the new black middle class, while subsection three will consider unbounded identities-or the blurred boundaries which exist among relationships of the black middle class.

5.4.2. Neo-classical and Neo-Marxist identities of the new black middle class.

Within the context of examining various approaches to the causes of poverty, chapter two made reference to neoclassical approach to understanding the causes of poverty. The roots and emergence of the neoliberal school have been discussed in chapter two, while neo-Marxism has been recurrently referred to through this study. The details already outlined elsewhere will therefore not be repeated here.

Neoliberalism advances that individual choices sufficiently explain economic behaviors of the collective (Harvey and Reed, 1992). This assertion is explicitly and forcefully presented as part of a broader state minimalism agenda (Larner, 2000). Although various elements of

neoliberalism continue to evolve, one of its consistent creeds is the call for limited state in facilitation of economic transactions. Neoliberals argue that the state should progressively give way to markets, which are able to coordinate economic activities more effectively, competitively and freely (Larner, 2000; Wiley, 1987). They also point out that economic productivity is highest in individualistic societies (Gorodnichenko and Roland, 2013).

In the context of the new black middle class, neo-liberalism would attribute social mobility to hard work and discipline. This position would also argue that the slow pace of generational investments is mainly caused by benevolent choices of the new black middle class in supporting other households.

Neo-Marxists analyse societal issues from power relations viewpoint. The dominant themes in neo-Marxism analyses are power, politics (Southall, 2007) and interest groups (Wiley, 1987). In narrating the development of South Africa's new black middle class, it has already been pointed out that neo-marxists are essentially interested in the political role played by this class (Southall, 2007). Neo-Marxists would contend that the new black middle class should be considered in the context of class relations. In other words, the new black middle class should not be viewed from a neoliberal individualistic view, rather, from a collective structural perspective.

Before examining how the manifestations of neoliberal and neo-Marxist traditions are taking place among the new black middle class, it is important to point out that South Africa's history is highly complex, in so far as theoretical traditions are concerned. In many respects, apartheid was reflective of class struggles (Wolpe, 1972; Leggasick, 1974a). Wolpe interpreted apartheid as a system of control, with the working class being the subjects (1972). Both Wolpe (1972) and Leggasick (1974a) agreed that the apartheid system reflected the essential need for capitalism to exploit cheap labor. From this view, the apartheid state was capitalist. The social, economic and political conflict in apartheid South Africa strengthened societal bonds even as they divided the society. The ascension of the African National Congress to power in 1994, attested to the fact that South Africa's development problems, struggles and possibilities lay in collective negotiation of the working class, against a capitalist state.

Twenty years into democracy, black South Africans are at cross roads, facing a difficult balance between identifying themselves in the context of race, or, accepting class identity as a

more realistic classification. Arguably, these contesting identities form the core of South Africa's development problem. The on-going breakdown of the ANC as presented by Mbeki, (2009) as well as Mashele and Qobo (2014) is, arguably, indicative of the identity tensions of the new black middle class –do they gravitate towards race or towards class classifications. These tensions manifest in the following way.

In the main, the new black middle class seems trapped in generally neo-Marxist realities, although at the same time revealing aspirational drifts towards neo-liberalism⁹. This trap is historical, and is rooted in the socio-economic coping mechanisms invented by the working class during apartheid decades. Almost all of the interviewed participants grew up in communal households, and, all of them experienced poverty.

Consider Participant A11 (18/07/2014), who grew in “...this big family” where she was “...living with aunts and uncles” and, her university fees was paid her aunt (Participant A11, 18/07/2014). The collective responsibility is visible in this articulation, as it is in participant A5 (17/06/2014)'s experience. The participant notes that when he was born, his niece was living in his parents' house, and had become part of the participant's household for the following 15 years (Participant A5 (17/06/2014)). The niece had lost her mother, and could not live with the father, hence the reason for moving into participant A5 (17/06/2014)'s parents household. In addition to participant A5 (17/06/2014) further reports the following:

“There was also the cousin who started to live with us from 2000, she moved out this year (2014). In 2004 my mother identified a kid in school, who was needy and started to support her. Unfortunately two years after staying with us, her parents died and she kind of became part of our family. She is now currently at the university of Johannesburg doing her third year, sponsored 50% by bursary and my parents paying for the other 50%” (Participant A5 (17/06/2014))

Currently, participant A5 (17/06/2014)'s parents are involved in some collective contribution towards a funeral scheme, and they have been involved in providing support to many other

⁹ The varying attitudes and economic behaviors might not neatly fit into Neo-liberalism and Neo-Marxist theoretical positions. Broadly though, the fundamentals of each of these schools manifest in the attitudes and economic behaviors of the new black middle class, as the chapter will demonstrate.

households. Participant A5 (17/06/2014) consents that he has learned, and satisfactorily so, to accommodate needy people who are not necessarily relatives.

The above are typical cases of conceptualizing social problems from a collective cause, and requiring collective response, in line with neo-Marxist traditions. This narrative is also a reflection of how households emerging from apartheid socio-economic legacy view poor households - as victims of the past socio-economic system, and necessarily in need of active solidarity. For these left leaning households, markets might still be ruthlessly unfair as far as economic balancing is concerned. Arguably, this is the same philosophy which shaped household compositions, sizes and intra-household economic relations.

In the same tradition, the overwhelming majority of the interviewed participants are fundamentally involved in the economic aspects of relatives, friends and neighbours. There are indications of transmitting some of these communal attitudes and lifestyle models into future generations, although the conditions for their transgenerational survival are increasingly challenging. This then, is the extent in which neo-marxism is likely to survive or disintegrate, moving forward. The degree of neo-marxism survival or disintegration will of course vary from one household to another.

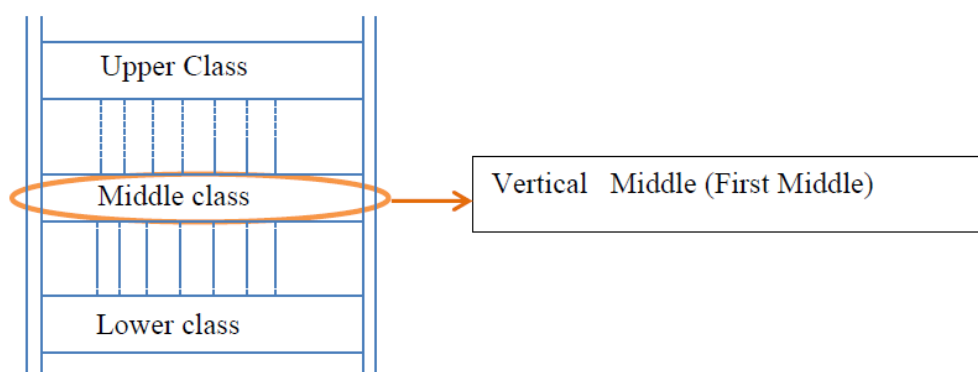
What is clear though, is that the new black middle class is unambiguously drifting towards individualistic life approach. Cases such as participant A5 (17/06/2014) attest to this conclusion. The participant reports that, given that he lives with the parents, he pays rent to his parents and makes contribution towards household groceries. According to participant A5 (17/06/2014), his parents believe in hard work, and the need for individuals to navigate through economic challenges and opportunities, or to “...fend for yourself” as participant A5 (17/06/2014) puts it.

As already mentioned, the new black middle class does not expect support from the future generation, even though majority are economically involved in the previous generation. This is an important break from a cycle of reciprocal support stretching back to generations. The new black middle class considers current and future economic possibilities along neo-liberal traditions.

5.4.3. The 'Double Middle' Identity

Other kinds of identities among the new black middle class relate to economic and intergenerational strata, what the study prefers to term as the double middle. Double middle is this researcher's terminology, which seeks to explain the double status of the middle class. The first middle status is essentially economic, and exemplifies power relations while the second middle relates to chronological order.

Findings point to bourgeoisies lifestyle aspirations of the new black middle class by virtue of functioning between the poor and the excessively wealthy classes. Interviewed participants reveal a clear break from poverty, even though as already demonstrated the links with the poor are reasonably strong. On the other side of the coin, the possibilities to break from the middle class to the upper class do exist. Aspirations, networks and policies seek to enhance the wealth of the new black middle class and by so doing, reflect a positive entanglement with excessive wealth. What this suggests as far as wealth distribution is concerned, is that the pressure to live aspired lifestyle limits wealth sharing, even with the next generation. This argument will be expanded in a different section. This 'first middle' is illustrated below.

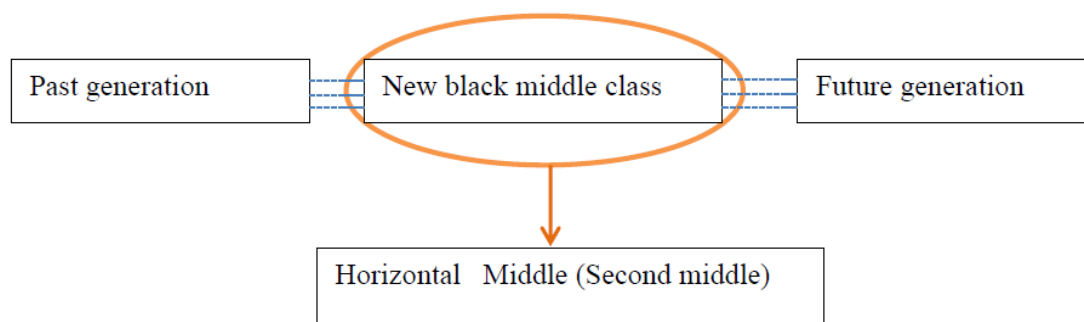


Source: Author's Own

Figure 7: An Illustration of the 'Vertical Middle' Status

On the 'second middle', the new black middle class is a transition generation, caught between the past and the future generation. As already demonstrated, social and economic linkages with the past generation exerts pressure on the new black middle class to re-live the past, even as it aspires a middle class lifestyle. The new black middle class is therefore entangled in this second middle scenario, sandwiched between the past and the future generations. This is not just a chronological order, but also a social and economic entanglement, which

constrains the new black middle class to account for the future generation in wealth distribution sense, even if in a limited way. The following figure sketches the second middle entanglement.



Source: Author's Own

Figure 8: An Illustration of the 'Horizontal Middle' Status

So far on identities, analysis has focused on bounded realities, with easy fitting of behaviors in particular frameworks. The new black middle class is however more complex, and reveals characteristics of unbounded realities which create difficulties as far as a neat framework is concerned. Below the study explores the blurred boundaries which exist in the lived realities of the new black middle class.

5.4.4. The New black middle class and unbounded identities

As already argued in chapter two, there are various theoretical positions which might explain the relationships between the new black middle class and the poor. Structuralists would argue that the above relationships need to be transformed (See for example, Flesh, 1970, Martinussen, 1997). Classical Malthusianism (Harvey and Reed, 1992, Henry, 2007) would attribute these relationships to cultural practices and believes, especially of the poor in their relationship with the new black middle class. For classical Marxists (see Milliois, Dimoulis, and Economakis; 2002; Khalil, 2000; Harvey and Reed, 1992), these relationships reflect class struggles between the middle class and the lower class. In their analysis, Classical Marxists see entanglement as markets disorder. Contending from a neo-Marxist leaning, authors such as Lewis (1968) would in all probabilities conclude that the poor are simply finding adaptive mechanisms by depending on the middle class, while Bradshaw (2005) and Murray (2004) are likely to place blame to the poor for manipulating the new black middle class. From Neoclassical premise, the problem appears straightforward: the poor should be transformed through improving their skills as well as changing their culture of poverty (Gorodnichenko and Roland (2013). And, the cognition depletion position would consider the

new black middle class as making irrational decisions, due to the pressure on their 'mental bandwidth' (Shafir and Mullaianathan; 2013).

How accurate though are the above presentations, especially in addressing the inter-relationships question? Consider structuralists case for example, and their proposition for transformation of relationships. What does transformation of relationships mean in practice? Who transforms these relationships, under what circumstances and what are the possibilities for successful transformation? In similar cloudiness, are classical Marxists right in labelling relations between the middle class and the poor as a struggle? What really binds the middle class to the poor-is it low mental bandwidth, or are the poor unnecessarily dependent on the middle class? These are profound questions, and, posing them reveals the shadows (rather than lights) cast by prevailing views. That is to say, theoretical positions appear somewhat bankrupt in defining the middle class and explaining the dynamics which shape its character.

As far as the new black South Africans are concerned, this study found limited legitimacy of the above diagnosis, and rather conclusive evidence that relationships between the new black middle class and the poor are not linear, neither are they bounded. These nonlinear and unbounded factors reflect a unique and complex identity of the new black middle class than often assumed.

In 1993, Michael Hecht developed a communication theory of identity (See Hecht, 2003), which although universal (Orbe, 2004), it essentially represents the identity currents occurring among new black South African middle class. The CTI theory posits that identity is "...a communication process and must be understood as a transaction in which messages and values are exchanged" (Hecht, 2003:230). In Hecht's view (2003), messages and values (or ways of life) are embedded in identities. The picture becomes more complex, when multiple identities –or what Golden, Niles & Hecht (2002) refer to as 'different frames'- are considered. Golden *et al.*, (2002) have drawn attention to identity formations within individuals, within relationships, within groups as well as within relational partners and group members. Hecht (2003) has usefully noted that these frames interpenetrate; they are complex and multidimensional. They should therefore be studied simultaneously (Golden *et al.*, 2002).

In this multidimensional identity situation, values, attitudes and beliefs interact forcefully, so much so that an outsider can potentially misunderstand behavior patterns of the research subject. This is so especially due to the tendencies to interpret the new black middle class

from the surface. The theoretical positions presented in the beginning of this subsection (structuralist, classical Malthusianism, classical Marxists, neo Marxist, Neoclassical as well as Cognitive depletion theories) all of which seek to explain relations between the middle class and the poor commit this error by imposing conclusions with less regard for the identity milieu. This study contends that the new black middle class interactions with the poor are best articulated in the multidimensional identity frame.

The context to unbounded identities among the new black middle class is traceable from apartheid's unkind impact. Whether through political struggle, or poverty, or diseases, the traditional household as well as family setting among black Africans was profoundly disrupted during the apartheid episode, consequently dissolving relational (social, economic and biological) boundaries.

Thus, participant A3 (10/06/2014) who was brought up by her mother, considers her mother as a role model. When asked about where her parents were located when she was growing up, she provided the following response.

“it is a very difficult question to answer because I used to stay with my grandmother and my mother was married but not to my father. I would say I was revolving around because I would stay few days with my mother, then few days with my father, but at the same time I was in boarding school. I ended up not knowing where to stay” (Participant A3, 10/06/2014).

In such a case, the participant had to live out various identities depending on the circumstance. An independent woman in boarding school, a granddaughter, daughter relating to the mother and daughter relating to the father, all in overlapping scenarios. Participant A4 (13/06/2014) reveals a different dynamic of disrupted identity. She indicated that, when growing up “...we were many because we also had extended family and were living together. We were ten in total, in our household” (Participant A4 (13/06/2014)). She then goes on to note that her father was responsible for all ten household members, even though this included grandparents, cousins and aunts.

Participant A6 (17/06/2014) provides a different account, yet by no means less complex. Now living in Newcastle, and holding a bachelor's degree in town planning, Participant A6 (17/06/2014) grew up in a household headed by his grandmother, together with an uncle,

siblings and cousins. His mother got married to another man, other than his father (who passed away in 1998), passing the entire bread winning responsibility to the participant's grandmother. Unfortunately the grandmother passed on in 2013, leaving the participant to take over the economic responsibility of the household. Thus Participant A6 (17/06/2014) provides economic support to his uncle, his sister, and two cousins, all of who live in the house left by the participant's grandmother. Relational boundaries between the participant and his sister, as well as the participant and his cousins are interestingly similar, as they are with the participant's uncle.

The above responses point to disruptions of conventional household identities, and consequent re-construction of social or economic relations as an adaptive reaction. This reconstruction essentially dissolves relational boundaries, such that economic support is provided to social and biological networks alike. This conclusion is arrived at when responses such as participant A1's is considered (05/06/2014). Growing in a household of sixteen members consisting of cousins and siblings, participant A1 (05/06/2014) was mentored and partly educated by his cousin holds the following perspective.

“You see when I was still at university, my cousin would make sure that I registered and settled down. I have the responsibility to do the same thing to the guys coming from the same community, to assist them stay even in my room until they settle down. That assistance carries on for generations” (Participant A1, 05/06/2014)

Growing in a large family, and given the financial support from non-biological relatives, participant A1 (05/06/2014) provides on-going support to his in-laws, relatives as well as the community members who are not biologically related. Yet in the same identity milieu, participant A1 (05/06/2014) prefers his children to live a less shared lifestyle, and in pursuit of a preferred lifestyle he has purchased a house in a middle class suburb and two cars. The situation is roughly similar for participant A18 (08/08/2014), whose family was mainly looked after by her uncle (a doctor by profession) even though her father was still alive. Infact, participant A18's uncle made the decision for the participant's family to relocate from Pretoria to Newcastle. The uncle's support has translated to a moral obligation on participant A18 (08/08/2014), who now supports her nephew.

Participant A1's (05/06/2014) as well as A18's (08/08/2014) experiences reveal tensions between Golden's (2002) self-cognition, self-concept and self well-being on one hand, on the

other, identity to others. This is a delicate balancing act, where the aspiration of a middle class lifestyle exists alongside unbounded identities, which shape economic support to relatives and community members.

All in all, then, this section discussed the identity question as it relates to new middle class Black South Africans. Development economists have tended to consider this class from a purely economic identity, while political scientists are caught up in the political identity of this class. The section sought to challenge these compartmentalised approaches, and rather put forward more complex identity realities, all which occur in a single individual or and even more in a household. Economic behaviors, as the section has observed, is shaped by interacting identities. Infact, this study would argue that any attempt to examine the new black middle class economic or political behaviors, yet taking for granted the multiple and yet powerful identities which define this class, is at far from accurate.

The issue here is not to propose changes in identities; it is rather to understand how these identities yield unique outcomes in behavioural patterns-whether these behaviors are social, economic or political. While both bounded and unbounded identities of the new black middle class influence the nature and kinds of relationships between middle class households and poor households, unbounded identities are especially powerful in modelling socio-economic relationships of these households. The study now turns to scrutinise what this unbounded identity of the new black middle class means as far as poor households are concerned.

5.4.5. Re-Conceptualising the New Black Middle Class

As evident from above, the conceptualisation of the new black middle class as homogeneous is fundamentally misleading. A more accurate understanding of South Africa's middle class needs to account for variations and divergences in a range of issues as already discussed earlier in the chapter. Some lean towards Neo-liberal traditions while others fit more suitably in neo-Marxist economic thought, some have stronger links with poor households than others, some are located in the private sector while others are located within the state, and the list goes on. Adding to the above, this research found some surprise responses from participants as far as aspirations, priorities and preferences are concerned, while others responded within expectations. A close look at the middle class will suggest that there are some conventional expectations as far their behavior is concerned, and some unexpected. The expected responses generally align to public logic, while the surprise responses challenge public logic.

Public logic is such as cited by Southall (2007; 2014) that the new black middle class is highly consumerist, which includes purchasing houses in previously white suburbs and owning big vehicles. Reinforcing the public logic argument, Hoffman (2007) laments that the new black middle class is increasingly individualistic. Public logic arguments such as above are not necessarily inaccurate, except that they define the global middle class, assuming that South Africa's new middle class takes the same patterns. It doesn't, as the following responses demonstrate.

Table 4: Expected Versus Non-Expected Responses

| Expected Responses (Public Logic) | Surprise Responses |
|--|---|
| Question: What are your aspirations? | |
| “You tend to aspire that life which you haven't seen it, you have only heard about it. For me, I wanted to move out from the rural area and I wanted to be among those black people I would see driving beautiful cars, and that was my motivation” (Participant A17, 07/08/2014) | “Moving to suburb is not part of my aspirations, what I would really appreciate is the township to be formalised in terms of infrastructure. I hate going to town to buy simple things like chicken” (Participant A2, 07/06/2014) |
| Question: If it was a matter of choice, would you sacrifice your children's good lifestyle in order to provide economic support to your relatives? | |
| “Shoo...my daughter...my baby comes first...my own blood, she comes first” (Participant A15) | “I would not make the choice between supporting my niece or supporting my children. I will find a way of adjusting and making sure I meet both” (Participant A12 (22/07/2014)) |
| Question: How important was a private home when you were growing up? | |
| “I didn't like the way we were brought up because we have to share everything” (Participant A4 (13/06/2014)) | It was always so exciting living together. Ok there would be some conflicts because we would grow and have children and that. But then we were a close knit family...big as we were” (Participant A18, 08/08/2014) |

Based on the above, it is fundamentally important to account for the plurality of the new black middle class, and the implications on social and economic expectations. This research recommends a re-conceptualisation of the term middle class (Singular) to middle classes

(Plural)¹⁰. This plurality is a more reasonable and accurate assessment of the newly wealthy black South Africans, and will assist in correcting unrealistic expectations whether from academics or from politicians. The variations among the new black middle classes should also not be viewed from a hierarchical structure, the variations occur in an horizontal format. They are all middle classes on a basic level, except that their character differs, sometimes in a significant way. The variations and differences pose a challenging question on how the middle classes distribute wealth, and how this distribution is shaped by the factors which differentiate these classes. The following sub-section seeks to examine this question.

5.5. THE INFLUENCE OF UNBOUNDED IDENTITIES ON WEALTH DISTRIBUTION AMONG THE NEW BLACK MIDDLE CLASSES

5.5.1. Introduction

Emerging from the foregoing discussion on the unbounded identity of the new black middle classes, this section will seek to elucidate on how multiple identities of the new black middle classes shape economic practices, values and decisions in their interaction with poor households. In otherwords, it will explore the role played by relationships in wealth redistribution among the new black middle classes.

5.5.2. Searching the Middle class 'Underground': Wealth Re-distribution through relationships

In describing complex relationships and contours from which modern South Africa derives cultural identity, Nuttal (2009) makes a convincing case for the entanglement notion. The term entanglement, she argues, might be gestured "...towards a relationship or set of social relationships that is complicated, ensnaring, in a tangle but which also implies a human foldedness" (2009:1). This entanglement might be invisible on the surface, but then as Mbembe and Nuttal (2008) note, there is no surface without an underground. In otherwords, visible character might appear different from what actually is. This then makes it important to 'search the underground'. In this light, and contextualising the foregoing to this study, the real character of the new black middle classes can only be understood by revealing underground realities and factors which might not be immediately visible. The underbelly of the new black middle classes occurs and thrives on relationships with mothers, fathers,

¹⁰ From this point on, the term middle classes rather than middle class is used.

siblings, extended families and even neighbours. Arguably, this is where the wealth distribution factor occurs in a more unique sense than societies with well-established middle classes.

The 'distribution' notion suggests economic transactions from a more resource endowed to a less resource endowed individual or household. There are however other kinds of transactions (biological, social, economic and spatial) which form the bedrock of household economic distribution. All of these transactions occur as reactions to various dimensions of poverty.

Moore, Grant, Hulme and Shepherd (2008) present various poverty dimensions namely, depth, breadth and duration. Although they focus on the extremely poor, they do mention that the various dimensions of poverty reflect variations of 'extent'. This assessment implies the need to dispense with linear perspectives of poverty. Other studies such as Mullaianathan and Shafir's (2013) '*Scarcity; why having too little means so much*' follow suit, by tracing scarcity experiences in daily lives, among both the poor and the rich. Mullaianathan and Shafir (2013) prefer to use the term scarcity rather than poverty, to avoid being misunderstood as addressing a particular class of people namely, 'the poor'.

The use of the scarcity concept provides Mullaianathan and Shafir with the freedom of relating the concept to themselves as academics, to students, managers, corporate executives, etc. The scarcity concept further allows for an assessment of lack beyond economic needs to encompass the social, biological as well as psychological. The underpinning principle is that, scarcity affects economic, social, or even psychological performance of an individual. This argument relates closely with Sen's capability approach, based on the fact that in Sen's *Development as Freedom* thesis (1999), diminished capability undermines the potential of an individual to function effectively in an economic setting. For Sen (1999), this diminished capability (which easily relates to Mullaianathan and Shafir's scarcity notion) constitutes poverty.

Arguably, any measure of scarcity (Mullaianathan and Shafir, 2013), or diminished capability (Sen, 1999) contributes to sub-optimal economic, social and political functioning of individuals, households, organizations, and ultimately sub-optimal performance of the entire human society. This, then, constitutes poverty, only that in this case it is more about the type of poverty and less about Moore *et al.*'s dimensional argument (2008).

It follows therefore, that wealthy individuals or entities do reflect a certain level of diminished capability or scarcity, a situation which entangles them with the potential for further diminished capability. The biological, social, economic, biological and spatial pressures to redistribute wealth, creates this diminished capability. This was the case with the majority of the interviewed black middle class representatives interviewed in the study. South Africa's new black middle class households and individuals reflect strong economic and social linkages with extremely poor households, individuals and localities. The middle class economic identity is evident, considering the amount of wealth (productive assets) as well as their current lifestyle (above subsistence), while their economic and social linkages with poor individuals or households is evident through on-going financial support to relatives or friends. In some cases the economic links are stronger than social links, in others the reverse is the case, and in others still, there are as strong economic links as there are social.

Take for example, participant A14 (30/07/2014), who is a civil servant, as is his wife, both of whom earn a combined monthly income of about R38,000. The couple have two children, but participant A14 (30/07/2014) claims that they provide financial support to two other children –a niece and a nephew. The nephew (who is in grade twelve, and therefore completing secondary education) lives within participant A14's (30/07/2014) household, the niece (who is 27 years old, and does not attend school or college) lives in his mother's household, some 20 kilometres away, in Madadeni Township. This participant went on to point out that they are assisting the nephew completing secondary education to obtain university scholarship but if they do not obtain this scholarship, they are committed to pay for university fees. Although participant A14 (30/07/2014) provides daily upkeep for the niece who lives in the mother's household, Participant A14 (30/07/2014) is prepared to provide college or University fees towards her education, conditional to her taking college or university position. Both participant A14's (30/07/2014) children are in University, without scholarship and therefore participant A14 (30/07/2014), and his wife provides full financial support in terms of upkeep as well as university fees to both of their children. Further inquiry established that being the first born, participant A14 (30/07/2014), started providing financial support to his parents and siblings at the age of 16, as he stated in the following response:

“...in those days when I finished my standard ten, my father had problems with his seniors at the church, meaning he was no longer employed, so I had to take over. I looked for work. I was fortunate in 1978, I came to Newcastle and after three months

I was working as a clerk. And I carried on and on, supporting my parents and siblings...taking them to schools and everything. I was only relieved of all that when I got married” (Participant A14, 30/07/2014).

Participant A14’s (30/07/2014) account points to constant dependence of his income from his very first wages at a young age to date, especially from household members outside his nuclear family-that is, wife and children. Sen’s diminished capability (1999) is applicable in this situation, on the basis of the argument that, the participant’s financial capability is spread out to a larger household circumference. This participant also forms part of Nzimande’s bureaucratic bourgeoisie (1990), by the virtue of being a civil servant and yet part of the middle classes. The distribution of the participant’s income, however relates easily with Mullaianathan and Shafir’s notion of scarcity (2013). This scarcity applies to other participants such as A1 (05/06/2014), who started providing financial support towards his siblings, immediately he started working, even though his siblings were already married and with children.

A different kind of economic inter-relationship is also visible during household based emergencies. This kind of relationship differs from the above in that, in cases of emergencies, there is no opportunity to plan and make the necessary savings, especially because the emergencies might take any form, they may be significant or otherwise; they may be short term or long term. In this light, the middle class function as a social security net for a broad circumference of household members. A case in point, on the Saturday before the interview, participant A1 (05/06/2014) narrated how he was expected to provide the financial requirements for his grandfather’s funeral. He observed the following:

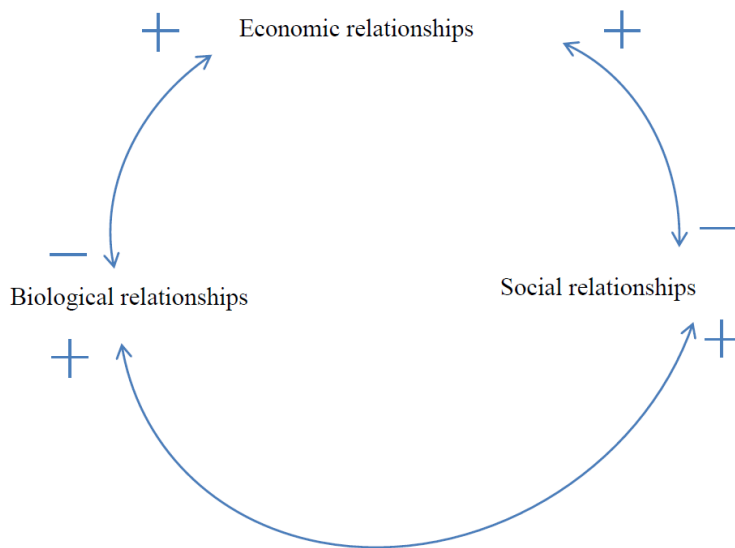
“Infact you remember I told you that I was in the funeral last weekend on Saturday for my grandfather. The whole funeral was...you know...we had to take care of it as my father’s sons. While that under normal circumstances from western culture be expected of the direct children of my grandfather who would be my uncles and aunts. But in this case because we are part of the middle class which is seen as affording. So we were expected. My aunts all of them were taking a back seat and we had to provide the funds” (Participant A1, 05/06/2014).

A strong chain of biological and social relationships is detectable in the above responses. This does not necessarily suggest cause and effect trends, or a linear process. The interactions

are far more complex, effectively making systems thinking framework a suitable analytical tool. Unlike in many other cultures, biological, social and economic relationships form a powerful milieu among black South African middle classes. On one level, non-relatives who benefit economically from the black middle classes become ‘honorary’ relatives. The more these honorary relatives receive support, the stronger the social relationship with the person providing support.

On a different level, regardless of the nature of social relationships between relatives, the biological factor takes precedence as a basis for economic support. Black South Africa middle classes households therefore demonstrate a tripartite network of social, economic and economic relationships, all occurring in a dynamic interaction. Evidently, biological relationships contribute positively towards economic relations, while economic relationships exert pressure (and thus reveal a negative loop) on biological relationships. Economic relationships on their part contribute positively towards social relationships, in that individuals, who have been assisted financially, even though they are not relatives, end up creating strong social networks with the supporting party.

On the reverse, social relationships in most cases produce economic relationships, sometimes straining (although not necessarily alienating) social networks. These relationships include friends, neighbours as well as in-laws. The relationship between biological and social relations is even more dynamic. It is important to note that, as far as black middle class is concerned, social gatherings in the context of biological relatives is not optional, and therefore inevitably these social events obligate households which are biologically related, to interact. This ‘obligated interaction’ of course has a positive impact on biological relationships. As already pointed out, relationships which begin on a social (rather than biological or economic platform) easily become co-opted into biological relationships. That is, at some point, social friends potentially become honorary relatives. The dynamism of these relationships can be illustrated in a feedback loop diagram as shown below.



Source: Author's Own

Figure 9: Feedback Loop Diagram Mapped out among the New Black Middle Classes

As illustrated above, on biological and economic relationship dynamism, Participant A2 (07/06/2014) cited that his father has been providing financial support to many nieces and nephews for over 20 years. Talking about how his father relates to the participants cousins, participant A2 noted the following:

“The household where he comes from in Wasbank, they are staying there and they look after his cows and he tends to feel obliged and he buys groceries every month. Some of the kids are in varsity and they would call him saying, Malume [Zulu word for Uncle] we need a few thousands and he is a man who is very sensitive to education” Participant (A2, 07/06/2014).

Participant A2 (07/06/2014) further explained the following motivation for his father's economic support of close relatives.

“I think there was an obligation because some of his siblings had not undergone education. Some of them could have turned around and said, ‘you didn't put us through school’. So he did for all of them so that the topic never comes up” (Participant A2, 07/06/2014).

The above noted motivation suggests a level of economic entitlement as far as biological relatives are concerned. The possibility for the participants' cousins to blame their uncle for failing to pay their school fees reveals the complexity of biological relationships among the black middle class.

The economic entitlement within biological relationships is further evident in Participant A6 (17/06/2014) as well as A16's (06/08/2014) experiences, both of whom, out of the pressure to support their siblings, they delayed starting their own families. Participant A16 (06/08/2014) noted that "financial pressure...of course ...of course. Because of the financial responsibility for my family or else I would have been married a long time" (06/08/2014). Participant A6 (17/06/2014) on his part pointed out that he "will only get married once the situation (provision of financial support to relatives) gets better (18/06/2014). These are not isolated incidences. Participant A12 (22/07/2014) noted this sacrifice as a black South African principle, by asserting the following:

"..you must remember in South Africa uhmm black people have different way of living compared to other races...uhmm...your first income as a black man or black woman would always be to try and support the family. Remember you are not yet married or not even having children...but because 80% of the family members are not working you have to take them as your responsibility" (Participant A12, 22/07/2014).

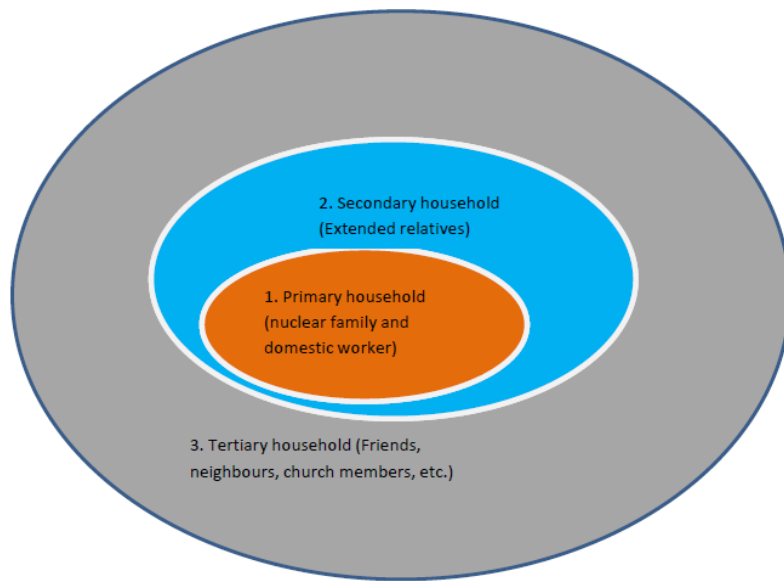
In addition to social, economic and biological relationships, the new black middle classes are strongly linked with 'spatial past'. In otherwords, even though majority of the new black middle classes live in decent suburbs, majority of their relatives and social friends are located in townships or rural areas. These spatial linkages provide an opportunity for demonstration of progress, achievement as well as newly acquired status. Part of this demonstration involves sharing of wealth, whether within biological or social relations. This demonstration is also a response to expectations from individuals and households who live in rural areas or townships. Although the new black middle class is largely urban based, those who live in rural or semi urban regions relate with the middle class from a dependency point of view. This dependency relationship is largely accepted by the new black middle class. Social functions are essentially held in rural or peri urban based households (where older generation will mainly be situated), and, the new black middle classes are expected to provide all if not majority of the economic support. This scenario creates a level of scarcity among the black

middle classes, a discussion which requires a re-conceptualisation of poverty as presented below.

5.6. RE-CONCEPTUALISING MIDDLE CLASSES RELATIONSHIPS INTO BIG P AND LITTLE P POVERTY.

Wealth redistribution through the relationships identified in the preceding section, modifies the way in which the new black middle classes accumulate and invest their wealth. This section will narrate how these sorts of pressures can trap the new black middle classes in scarcity, and in worst case scenarios reverse the status of these classes to poverty.

Every individual is part of a household. When an individual leaves one household, she becomes part of another, inevitably. Because majority of households are family based, they are bound by loyalties which obligate the financially stable household members to provide financial support to their unfortunate counterparts. Based on the various relationships discussed earlier in this chapter, households could be categorised into primary, secondary and tertiary households. Primary households are those which individual X is based-that is, Individual X essentially eats and sleeps in this particular household. Often (but not exclusively) an ideal primary household consists of the nuclear family, inclusive of live-in domestic workers. Outside the primary household are households belonging to extended relatives of individual X. A tertiary household consists of friends, neighbours, associates church members, etc., who are not biologically related to individual X, but they exert a certain level of pressure to individual X to provide financial support. In this taxonomy, individual X is morally or socially obliged to provide financial support to each of the three households, albeit with different levels of priority. In some cases, it is not a question of priority (which presupposes exclusion) but sequencing, which suggests that although individual X might delay financial support to the secondary and tertiary household, ultimately they will provide support. The contours of the three categories are illustrated below.



Source: Author's Own

Figure 10: Primary, Secondary and Tertiary Households

Supposing individual X forms part of the new black middle class, if individual or household Y is poor, that individual or household they can almost certainly count on the more affluent individual X to support them, whether individual X is located in primary, secondary or tertiary household. The reverse is also true. The affluent Individual X is often supportive of the less fortunate individual Y. Arguably; both individuals are poor, except in different ways. Individual X commits resources to individual Y, which could be used to enhance primary household wealth. Additionally, this commitment limits the extent in which individual X can live out a given lifestyle. This scarcity experienced by individual X could be referred to as small p poverty y, in that it has measured effect on resource distribution among household members. This kind is easily addressed, and, it is not necessarily carried forward through generations. Supposing that individual Y has no formal education and unemployed, then he is a victim of a different kind of poverty, the structural type, which almost unavoidably recycles through future generations. This kind which is more difficult to terminate could be referred to as big P poverty.

Small and big P poverty are terms conceptualised by the author of this research, to describe different extents of scarcity. Distinguishing between p/P poverty helps to shed light on the complex and diverse nature of poverty. Mainstream measurements and analyses of poverty appear fundamentally biased towards little p poverty, as evident in Francis (2006) argument.

Francis (2006) contends that while measuring the incidence of poverty is important, this option does not explain the various causes of poverty. Neither does it explain the relationships which sustain poverty traps.

The difference between P/p poverty is not in scope or dimensions, rather, in character and extent. In a limited way, small p poverty is mainly represented by traditional approaches to poverty while big P poverty is better described through multi-dimensional approaches to poverty. This conclusion could be elucidated further in Fusco's (2003) observation. Frusco (2003) draws a distinction between traditional approaches to defining and measuring poverty, and, multi-dimensional methods of defining and measuring poverty. The traditional approach defines poverty as monetary deficiency, and consequently measures poverty through income and expenditure analyses (Fusco, 2003). Fusco(2003) criticises the traditional approach as (a) lacking the ability to view the diverse nature of poverty-varying needs of individuals, of groups, and how relationships shape 'needs'- and (b) the tendencies to lock individuals in a particular bracket based only on monetary income denies them the freedom of choice. On their part, Hulme, Moore and Shepherd (2001) draw attention to what they call severe or ultra-poverty, positing that this kind of poverty requires different kinds of interventions. Thus they point out the following:

“People who live far below consumption poverty lines are likely to require several strong poverty ‘interrupters’ to emerge from poverty within a generation; for example, higher casual wages *plus* access to several years of post-primary education *plus* access to meaningful transfers such as pensions and child allowances *plus* land redistribution” (Hulme, Moore and Shepherd, 2001:17).

As observed above, Hulme *et al.*, (2001) emphasize the multiple interventions to suggest the gravity of ‘ultra poverty’. Thus, while Individual X might experience upward economic mobility which in per capita terms might appear significant, the distribution of individuals X's wealth might force them not only to live in scarcity, but also to constrain the effect of poverty alleviation interventions. While individual X might not be poor in the traditional sense of the term, their wealth is fully committed, effectively constraining their potential to remain affluent. Because of the demand placed on individual X's wealth, the possibilities to provide long range and major financial support (such as paying university fees, or paying for

other professional skills development opportunities) for his primary household members is limited.

While an individual can experience upward economic mobility which in per capita terms might appear significant, the distribution of that individual's wealth might force them not only to live in poverty, but also to implement less effective interventions in terminating future poverty. Poverty alleviation projects, for example, *mis*-treat 'big P' poverty as an occurrence that can easily be ameliorated through small scale projects –a type of development tokenism. There is no doubt that poverty alleviation projects have made some impact in addressing 'little p' poverty. Only that they do they simply scratch on the surface of 'big P' poverty. As already pointed out, little p interventions are unsuitable for the far reaching poverty in developing countries, and, they are inadequate for transgenerational poverty –in itself a form of big P poverty.

Based on tendencies to promote development tokenism logic, methods of poverty evaluations and assessments follow the above noted ameliorative approach. The individual based theories especially, seemingly understand all poverty as little p –they could not be more wrong. The problem of the fractional effectiveness of development policy is that, in its formulation, implementation and evaluation processes, it systematically neglects the structural nature of underdevelopment in communities. The legitimacy of the popular discourses in South Africa is founded on a thin recourse dubbed pro-poor growth (Bond, 2003). These leanings are, by design, solutions manufactured to solve the 'small p' kind-mainly found in developed countries. This kind of poverty does not always thrive through generations. Review of development economics literature reveals an over-researched little p theoretical trap within which development theories and practice have gravitated around, for roughly two thirds of a century. That is, a focus on empowering poor people mainly for subsistence purposes, or stated differently, a short range objective which assumes that future generations will navigate their own path, current policy needs to target current generation's subsistence.

5.7. CONCLUSION

This chapter attempted to shed light on thriving misunderstanding, identities as well as relationships which determine wealth redistribution among the new black middle class. Rather than focusing on the outcome, the chapter was more concerned about the process of wealth distribution. By so doing, it dispensed with short sighted tendencies to

compartmentalise the new black middle class as a single, easily understood group. The chapter further demonstrated that this romantic view of the new black middle class is far from reality. It is arguably more accurate to view the new black middle class as a dynamic group with multiple identities and caught in deep interrelationships with poor households, resulting to complex wealth distribution motives and practices. Finally, the chapter inferred that the pressures on black middle classes to distribute wealth constitute some level of scarcity, on the part of the new black middle classes. This, the chapter contended, should be considered as a level of poverty –little p poverty, with potential to become big P poverty.

Yet, little p poverty does not occur in the short run, it is rather achieved by cumulative circumstances which consistently erode the capability of middle classes to save and invest. Neither does little p poverty translate into big P poverty over a sort period of time. Both these phenomena occur over at least a generation or two. This intergenerational assessment of issues has been examined only scantily, and therefore little is known about the intergenerational transmission of wealth and poverty among South Africa's black middle classes. The next chapter will attempt to interrogate how wealth is occurring in an intergenerational context, among the new black middle classes.

CHAPTER SIX: INTER-GENERATIONAL WEALTH TRANSMISSION AMONG THE NEW BLACK MIDDLE CLASSES

6.1. INTRODUCTION

Studies on intergenerational wealth distribution often utilise longitudinal quantitative data, collected over a long period of time. These kinds of data records, specifically focusing on South Africa's black middle classes, are not available for two reasons. First, research on black South Africans during the apartheid period regime is alarmingly thin, and second, the new black middle classes are a recent phenomenon and therefore longitudinal studies on these classes do not stretch back to the previous generation.

What is glaringly clear though, is that literature on South Africa's black middle classes is boldly optimistic, thus, the middle classes are considered as effective in addressing poverty and unemployment (Visagie, 2013), and inherently equipped to sustain accountability in democracies (Southall, 2014). On the economic potential, optimism is underpinned by the assumption that the new black middle classes will sustain wealth redistribution over a long period of time. This is a necessary inquiry, which should guide the noted optimism. The task of this chapter, therefore, is to examine how wealth distribution is occurring among the new black middle classes within an intergenerational context. This objective will be achieved through seeking to understand the nature of wealth transmission from the past generation to the present, and the aspirations of the current generation as far as wealth transmission to the next generation is concerned. These transmissions are situated within a given household. The thesis therefore prefers to begin the section with disentanglement of the household space, as the basis upon which intergenerational wealth distribution occurs.

6.2. HOUSEHOLDS AS INTERGENERATIONAL SYSTEMS

6.2.1. Households Systems in Context

Although the thesis has grappled with the intergenerational wealth distribution as its main objective, an important and relevant finding is that, the household system plays a central role in this redistribution. As a System¹¹, the household is highly linked with other sorts of

¹¹ For a comprehensive discussion on Systems Thinking framework see section 1.5.

systems, which collaborate to yield intergenerational outcomes. As already discussed in section 1.5, Systems are made of parts, all of which work together thus providing qualities to the whole system. In the case of a household system, system parts would be individuals within a given household. System parts demonstrate loyalty to a given extent, based on given terms, and in a given duration of time.

The notion of ‘system contracts’ might be used to underline a system’s time dimension- and all systems have a time dimension. Formal institutions, especially, function within a time reference (Galbraith, 1973). Employees come and go, and, organizational ownership can be passed on (for example in cases such as mergers and acquisitions). Firms can file bankruptcy and shut down; governments can collapse into chaos in just as much as they can be re-constructed and re-invented (See Meyer and Brian, 1977). Organizations therefore make decisions based on the ‘time’ dynamic. On this basis, they develop strategies, review them, they conduct performance assessments, and monitor organizational change (Meyer and Brian, 1977). The underlying motive being that, if organizations do not plan, they might remain stagnant in an increasingly competitive environment, they might decline overtime, or even worse, they might not exist in a given time. In other words, in the main, formal and informal organizations operate within a time bound contract. The household institution functions differently. The following table illustrates the existing dynamics of households from other institutions.

Table 5: An Illustration of a Systems contract applied on Household System

| Household institution | Other informal institutions | Formal Institutions |
|--|---|---|
| They come into existence as a consequence of human evolution | They come into existence on the basis of trust and strategic planning | They come into existence on the basis of strategic planning |
| They are maintained through loyalty | They are maintained through loyalty before rules | They are maintained through rules before loyalty |
| They do not collapse during a crisis | They can collapse during a crisis | They can collapse during a crisis |
| They hardly change their character in the short to medium term, because organizational dynamics takes long to change | They can change their character with change of organizational composition | They can change their character with change of organizational composition |

Source: Author's Own

The above table suggests that a household system is not time bound, unlike other organizations. This 'timeless' dynamic constrains a household system from making rigorous decisions, compared to other institutions, on the basis of the assumption that there will always be time, and, the consequences for poor decisions are unstable loyalties rather than more punitive repercussions such as total shut down.

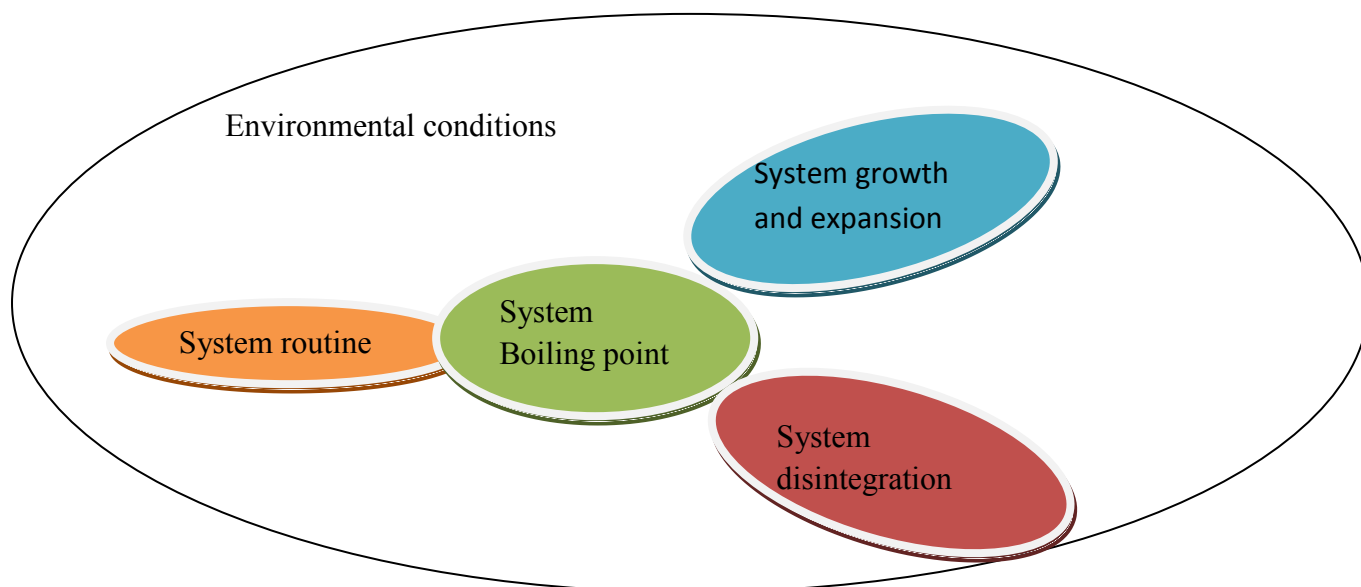
The bulk of literature on household decision making (Frankenberger and Mccaston, 2005; Van Zyl, Cross, & Donovan, 2008; Phillips, 2011 as well as Yaw Amoateng and Heaton, 2007) constructs on the aforementioned notions of system contract. Discussions and debates on households as presented by the above noted authors, among others, lean more towards 'survival' than growth and development; as if households might arrive at a point of 'non survival'. Frankenberger and McCaston (2005:30) for example point to the shift from "...simple assumptions concerned with households' access to food, the resource base and food systems by demonstrating the influence of health and disease, caring capacity,

environmental sanitation and the quality and composition of dietary intake on nutritional outcomes”. Yet this shift still trips on the ‘survival’ notion. Arguably, this ‘trapped thinking’ is ill equipped to provide pathways for household wealth sustainability. Katona, Strumpel and Zahn (1971) have attempted to break this survivalist impasse, by pointing to developed societies, and how these countries emerged from survivalist levels to mass wealth. In 1971 these authors observed that, “...the great majority of households have not only gone far beyond the level of mere subsistence but indeed acquire and constantly replace an extensive variety of consumer goods. Many goods and services formerly unknown or considered luxuries available to few people now represent necessities of life for the masses” (Katona *et al.*, 1971:7). Although normative in this particular context, Katona *et al.*,’s assertion needs to be mainstreamed into household poverty alleviation discourses. To achieve this objective, the challenge is to (a) gain insight into household economic behaviour, which could form a basis for (b) constructing a process which sustainably delivers household economic development.

The time bound argument is therefore peripheral, as far as household systems are concerned. More accurately, households should be considered within strong or weak interlocutors, as discussed in the following sub-section.

6.2.2. Weak and Strong Systems: Re-conceptualizing Systems for meaningful understanding of Households.

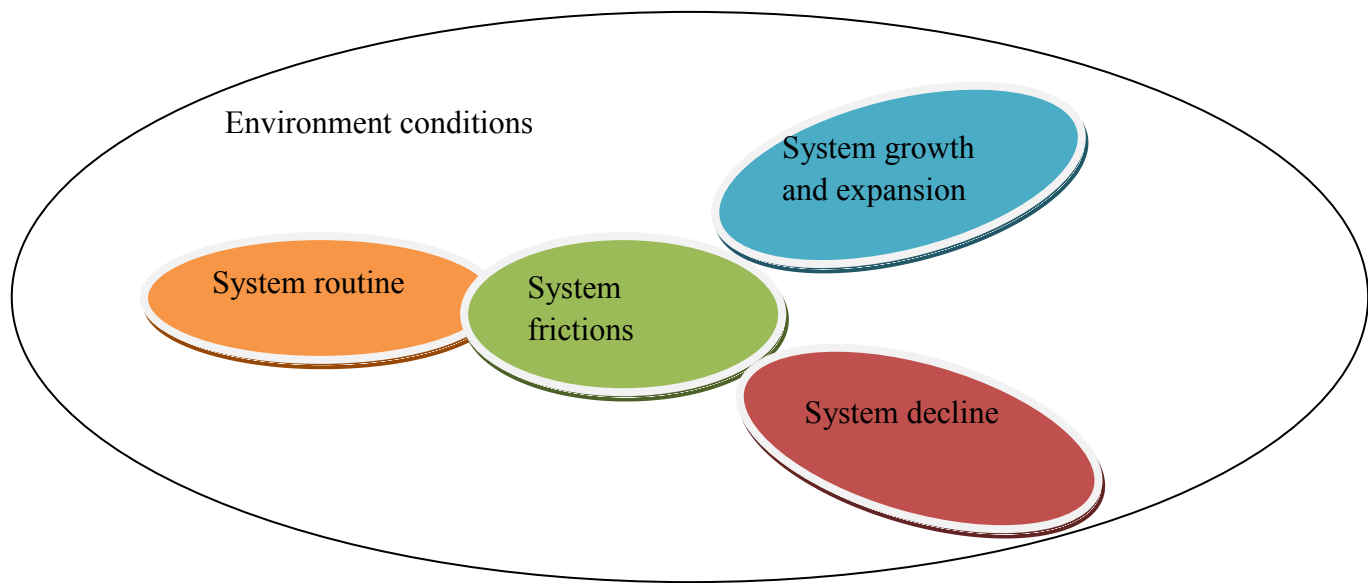
Systems can either be strong or weak, depending on the nature of system contracts. Systems which are considered compact, dictatorial and rigid could be referred to as weak systems, simply because they have the potential to crack and disintegrate on reaching a ‘boiling point’, depending on their environment conditions. Rigid tendencies are reflected in systems which follow particular routines, with little space for change. This rigidity can easily translate into a lack of innovation which can lead to system disintegration. Disintegration is essentially caused by lack of competitiveness and increasing lack of relevance to the surrounding environment. Bureaucracies are typical examples of weak systems. While bureaucratic systems are predictable, they can reach a boiling point where nothing gets done, and the survival of the bureaucracy is depended upon successful change management. This is illustrated below.



Source: Author's Own

Figure 11: An Illustration of a weak System

On the contrary, strong systems could be considered to be more flexible than weak systems, their systems parts are more tolerant and, they do not reach boiling point level. They are also less predictable. A household is a typical example of a strong system. Rules are less rigid, household members (system parts) are more tolerant to each other, mainly because their bond is timeless. This conclusion considers the conventional household, which largely consists of biologically related members. Regardless of how irregular some household system parts might be, they cannot resign or be dismissed from being members of the household. In other words, these sorts of systems do not reach boiling points, and thus they are not designed to disintegrate. They rather tend to decline. In addition, household systems are maintained through loyalties which do not need to have rigid conditions attached. Strong systems such as households can be vulnerable in formulating and implementing economic practices such as wealth distribution, because they rely on the ability and willingness of the economically well-up household members to transmit wealth. An illustration of a strong system is given below.



Source: Author's Own

Figure 12: An illustration of a Strong System

The main difference between figures 11 and 12 is that, while figure 11 demonstrates a System which can reach a boiling point (see the phase which overlaps with System routine), in figure 12, this phase is characterised by minor frictions rather than overwhelming chaos as in figure 11. During boiling point level in figure 11, an organization can dissolve or disintegrate as seen in the downward phase which overlaps System boiling point. Figure 12 does not experience possibilities for disintegration or full dissolution, it rather experiences declining performance.

The purpose of the above illustrations is to show how a household system (depicted in figure 12) is characterised by resilience, and the nature of ties which bind the household system together. Other formal institutions (depicted in figure 11) always face the possibility for total collapse, and therefore they always work hard to avoid this situation. These illustrations reinforce the argument that, households are potentially more effective development institutions by virtue of their inability to dissolve.

In summary, being part of a household mystifies relationships so much so that past, present and future generations converge. This convergence is one of aspirations, ambitions, wealth as

well as poverty. This convergence needs to be kept in mind, therefore, in dissecting intergenerational transmission of wealth, which the study now turns.

6.3. TRANSMISSION OF ASPIRATIONS AND ASSETS FROM THE PREVIOUS GENERATION TO THE NEW BLACK MIDDLE CLASSES

6.3.1. Aspirational Transmission

Defining aspirations as the “hopes or ambitions to achieve something”, Ibrahim (2011:3) draws attention to the critical importance of examining aspirations among the poor, and how poverty results from, as well as causes what she denotes as aspirational failure. Aspirations are however more complex. Implicitly alluding to the complexity of the phenomenon, Ibrahim (2011:3) cites Appadurai (2004) who argues that aspirations are a function of ethical and metaphysical ideas derived from cultural norms”. Aspirations are also socially constructed (Copestake and Camfield, 2010, cited in Ibrahim, 2011) and, different societies reveal different aspirations (Appadurai, 2004, cited in Ibrahim, 2011). The above in perspective, the following sub section examines the transmission of educational aspiration as evident from data.

(a) Transmission of educational aspirations from the past generation to the new black middle classes

Most of the interviewed participants referred to education as the most popular inheritance from the past generation, whether this inheritance was actual investment or simply advice and inspiration. What this suggests is that the past generation placed high value on education of their children, even though the previous generation possessed little if any educational qualifications. Although a long term investment, education was considered as the only sustainable option out of poverty.

For example, growing in the rural areas, participant A1 reports that during the early years of his development they had “cattle, goats, and did not have modern way of cooking food, ...we were using firewood you know...as boys we were spending most of the time looking after cattle in the field and we used to eat one meal a day” (Participant A1 05/06/2014). The aspiration which guided social mobility for participant A1 (05/06/2014) is traceable from past generations, according to the following note by the participant.

“It is very interesting... my grandfather would invest to sending the boys to school not his daughters. From my mother’s side where I grew up my father would encourage us to go to school and he got that from his father. Many families at that time would support the boys to go to school from my mother’s side that why my mother is not in the picture in terms of that inspiration. My father I think went to school up to standard six. He carried forward that inspiration from my grandfather to us now and said guys my father didn’t go to school because of limited education and you must go to school. He took us to the boarding school” (Participant A1 05/06/2014).

While the possibility for aspirational failure existed in participant A1’s situation, the participant went on to attribute his success mainly to his grandfather who “believed in education” and “...would quote Mandela’s success for fighting apartheid through education” (05/06/2014). The participant further notes that he “was fortunate enough that my eyes were opened to apply for bursary from standard 7 as well as in University” (05/06/2014). The bursary was provided by the African National Congress through the South African Council of Churches.

In contrast, participant A3 (10/06/2014) largely inherited inspiration first from her grandmother and mother. Thus the participant narrates the following:

“I realized that when I was older that my father was just a promise maker and he wasn’t giving out anything. It was difficult when my grandmother passed away because she was the main person in my life and I received many things from her” (Participant A3, 10/06/2014).

Participant A3 (10/06/2014) especially attributes her social mobility to her mother’s aspirations on education as noted below.

“...I think education would be primary and other than that nothing. She was very passionate to get best school and everything you needed for the school. In such a way that some people if they look at you and think you are coming from a very wealthy family because of your school bag, your jersey. She made sure everything was in order even the lunch box” (Participant A3, 10/06/2014).

This educational aspiration goes beyond participant A3's (10/06/2014) mother, to the participant's maternal grandfather. The genealogical influence on educational attainment is therefore significant in participant A3's (10/06/2014) social mobility.

Similarly, Participant A6 (17/06/2014) derives his educational aspiration from his grandmother, who "was a teacher so when I was growing she instilled in all of us that we need to study to be a person in the future" (Participant A6 (17/06/2014). 'To be a person' here means to achieve a dignified status in society. As for his mother, she had obtained matric (secondary education), while his dad was a standard seven dropout. Participant A6 (17/06/2014) admitted that he did not recall any moment where his mother explicitly talked to him about his future, and what he would like to become. The lack of education by his parents, and the poverty situation had profound effect on the participant's aspirations as illustrated in the following statement.

"Mostly what pushed me even more to go and study because as I was growing up in the township I would have friends who have both their parents alive and working. Their parents would be able to buy them expensive things but one could not afford them and we could not just go home and ask for them because one would be unreasonable. The reality is that we couldn't afford those expensive things in my household which kind of motivated me to be a better person and to study" (Participant A6 (17/06/2014).

Based on the foregoing responses, educational aspirations appear traceable from the past generation, the first as well as the second. Of interest is the fact that, the aspirations transmitted from past generations are more advisory than role models. While past generations might have achieved given aspirations on a limited scale, this achievement (tokenism as it might appear) seems to act as a fundamental catalyst to magnified achievement. This tokenism seems to have generated a re-birth and effectively transmitted an upgraded continuum of educational aspirations. The above findings dispenses with Ibrahim's notion of aspirational failure (2011), as demonstrated in the re-emergence of aspirations on a third generation. This conclusion is arrived at, considering examples such as participant A3's experience. This participant does not attribute her educational aspiration to her father, rather to her grandmother, and later her mother.

The study thus concludes that while household based aspirations might be deferred, they are unlikely to fail. This inference links to the entanglement discussion, which has already presented the complex nature of household based interactions among black South Africans. This resilience should be seen as partly an artefact of long and often unyielding constant of household based aspirations.

By arguing that aspirations are socially constructed, however, Copestake and Camfield, cited in Ibrahim, (2011) seem to suggest that aspirations do not operate in a linear space. Rather, they are products of always interacting social systems such as households, governance institutions, society, etc. Participant A6 (17/06/2014) verifies this argument, by indicating that his social mobility is attributable to interaction with wealthy peers, as well as his assessment of the challenging poverty situation in his childhood household. It follows then, that, the economic value attached to education is deeply embedded into current social mobility pathways.

The research further established other non-educational assets and aspirations beyond education, transmitted from the past generation to the current new black middle classes. These are discussed below.

(b) Transmission of Non-Educational Aspirations from the past generation to the New black middle classes

Data reveals that the current generation is essentially a beneficiary of previous generation's non-educational motivations and aspirations although a clear roadmap to achieve these aspirations is largely absent. The household context provided a fruitful social (more than economic) setting for aspirational development.

In the case of participant A9 (04/07/2014) for instance, in recollection, the participant notes that his grandmother (who was his principal guardian) wanted him to succeed in life, only that he does not recall any formal discussion on the specific future to pursue. Notwithstanding, participant A9 remembers his grandmother indicating that "I am doing this for you my grandchildren so that one day you will get out of this place and make a future for yourself...I am only doing this for you. That is what she would always emphasize" (Participant A9, 04/07/2014). Participant A9's (04/07/2014) mother, who took over

guardianship at a later stage, inspired the participant to consider government jobs. But in spite of these inspirations, participant A9 goes on to indicate the following:

“It was in 1999, I was broke and unemployed and life was very bleak for me, and I was...eish...how can this be? I was looking for a solution for my life. My colleagues were either in college or university or doing well, some were finished, some were working and I was nowhere in life. So I went to the local library...and I found a book. Its Napoleon hill, the title was *think and grow rich*. ..that is the book that changed my life” (Participant A9, 04/07/2014).

Although participant A10’s (16/07/2014) mother was influential in pursuing a different future, the participant had to navigate life choices through chances. Participant A10’s mother reveals similar life path, where she worked as a domestic worker in the British Consulate. Participant A10 (16/07/2014) developed passion for journalism from the consulate media, where his mother used to work. Like participant A9 (04/07/2014), participant A10 (16/07/2014) became a journalist, only to discover that this was not his preferred career. This then led the participant to engage in a sales business, where he is involved to date. But even in sales, participant A10 (16/07/2014) cites that “sales is sales, once you get that big budget money you are gone” (Participant A10, 16/07/2014) implying that his main motivation is money. For participant A3 (10/06/2014), growing up in a household where she witnessed her mother being abused constantly by her father, aspired to pursue Law. The participant did not recall formal discussions with parents about what she might become, or what she should aspire.

The above are typical examples of unguided aspirations, which potentially took natural turns, depending on social and economic circumstances. There seems to be a major disconnect between the previous generation and the new black middle class in terms of guidance and aspirational support. These, as suggested by Ibrahim (2011) are not aspirational failures, they are better understood as poor aspirational incubation. Lack of adequate aspirational incubation leads to delayed achievements, caused by trial and error methods. Much time, energy and resources are therefore wasted in the efforts to find a sustainable career choice. More importantly, these aspirations are embedded on economic expectations, based on resignation of the previous generation on the fact that their social mobility was dependent on their children’s success.

(c) Transmission of assets from the past generation to the new black middle classes

In addition to transmission of educational and non-educational aspirations, it was important for this research to understand the kinds of assets acquired by the previous generation, and the extent in which these assets facilitated social mobility among the new black middle classes. As expected, majority of the participants do not seem to have received capital assets from their parents.

Thus, participant A13 (28/07/2014) owns two houses, both of which were acquired through hard work, and deliberate investment by the participant and her spouse rather than inheritance from parents. Participant A14 (30/07/2014) reveals an interesting case, where he started working at the age of seventeen to supplement his father's income, especially given that he (Participant A14) is the first born in his father's household, he paid for his education, he acquired property through hard work, and is supporting a nephew and a niece. Participant A17 (07/08/2014) prefers to label this situation as a "negative start" because together with his siblings, participant A17 (07/08/2014) had to rebuild his father's home.

The 'negative start' situation is a fundamental constraint as far as wealth accumulation is concerned. The new black middle class is trapped in a difficult socio-economic context, with expectations that it will acquire wealth accumulation skills as well as share the outcomes of these skills on the past and the future generations. This situation further conditions the new black middle classes to dispense with the notion of 'time' especially when long term investments are considered. That is to say, the task of addressing numerous economic emergences of both the past and the future generations; undermines a household's capability to plan ahead.

To correct this negative start, the new black middle classes engage in extravagant and impulsive expenditures, in the effort to start positively, unlike their parents. In other words, living expensive lifestyle is a necessary new beginning for the new black middle class. The argument that the new black middle class is irresponsible in demonstrating high level of consumerism, are short-sighted, and do not account for the socio-economic and cultural histories of the current new black middle classes.

While in many cases the households within which the new black middle classes grew in did not afford luxurious lifestyle, the fact that they achieved the basic needs threshold (food

clothing and shelter) should not go unnoticed. Decades on, these basic needs have fundamentally shifted, to include items such as transport, airtime, internet as well as education. The 'new basic' is more challenging to meet, and requires more resources than the 'old basic'. The fact that the past generation did not have surplus income to invest into a 'future basic', which in their context would have been luxury, meant that the new black middle classes inherited a deficit in so far as the new basic is concerned.

6.4. TRANSMISSION OF ECONOMIC ASPIRATIONS AND ASSETS TO THE NEXT GENERATION

The question of savings and investments, as well as the attitudes which govern the two, are not well researched especially among the new black middle classes in South Africa. Cronje and Roux (2010) are among the few scholars who have concerned themselves with savings among the new black middle classes, although from a macro-economic view. These authors conclude that the new black middle classes reveal a significant tendency towards consumption, and away from savings (Cronje and Roux, 2010). Cronje and Roux, however, do not explain the micro-economic currents which shape these trends. A lack of savings and investments does not necessarily suggest consumption. It could also mean, as demonstrated in chapter five, intergenerational wealth redistribution. Notwithstanding their omission, Cronje and Roux (2010) differentiate between what they term as contractual savings (commitment to payments such as insurance policies, etc.) and discretionary savings which mean savings made on voluntary basis. This differentiation is relevant among the new black middle classes, as discussed later in this section.

Thus said, and notwithstanding the challenging economic terrain which characterizes the new black middle classes social mobility, the new black middle classes show some evidence of future investments. The assignment of (a) ensuring the socio-ethical task of providing economic support to relatives and neighbours (b) living the aspired middle classes lifestyle, and (c) investing into the future generation of the new black middle classes, is a difficult balancing act. Although there are some investments occurring within the new black middle classes, they manifest in two forms namely, aspirational and achieved investments.

On the aspired investments, almost all interviewed participants possess aspirations for the future, additional to what they have already achieved, whether these aspirations project to immediate future or long term future. Of interest is that, a considerable number of the new

black middle classes employed by the state, consider their situation as temporal, and in some cases a trap which needs to be broken. Therefore, while some participants such as A11 (18/07/2014) acknowledge the important role played by the state in providing foundation for social mobility, they reveal an aspiration for economic independence. This of course implies that, public service professionals do not consider themselves as economically independent. Participant A11 (18/07/2014) especially uses terms such as ‘the cycle of government employment’ or “just public servants” or even the capability to “tell kids to be less dependent on government” (Participant A11, 18/07/2014). All these are aspirational statements, which consider economic opportunities outside public service.

Participant A6 (17/06/2014), who is also a public servant, is yet to make investments, preferring first to do research before venturing into any form of investment. Participant A6’s (17/06/2014) interests lie in stock markets and purchasing software for the purpose of selling. This participant’s view emerges from a challenging environment, being 24 year old, having been brought up by his grandmother (who died last year), and providing economic support to his three siblings and an uncle all of who live in the participant’s grandmother’s house. Over a third of Participant A6’s (17/06/2014) monthly salary goes towards supporting his siblings and uncle. Regardless of this kind relationship, anticipating that the situation will change, the participant in question aspires to further his studies as well as complete a short course which he is currently undertaking. Although the state has played a critical role in addressing poverty in Participant A6’s (17/06/2014) household, the participant seems to delay his aspirations under the current distributional requirements.

For participant A3 (10/06/2014), there are plans to acquire property, for the purpose of bequeathing to her two children. Also a senior public servant, similar to Participant A11, (18/07/2014), participant A3 (10/06/2014) considers the state as a stepping stone to economic independence. There are, also, parallels between Participant A11 (18/07/2014), participant A3 (10/06/2014) and participant A12 (22/07/2014), as far as the transient perspective on public service. Participant A12 (22/07/2014) especially sees himself retiring early and achieving economic independence through starting a private practice. He thus points out the following: “I want to guarantee you that I don’t see myself working after the age of 55 years, I should already have opened some opportunities for myself...not in government but in the private sector” (Participant A12, 22/07/2014).

All the aspirational based investments noted above, assume that current socio-economic inter-relationships will shift, relieving the respective participants of some economic commitments, and effecting surplus which could be used for investments. One of the useful lessons from the foregoing trends and views is that, in the interim, the state is a powerful player in empowering the new black middle classes in achieving short term goals. For example, those who are able to cumulate capital for business can do so from their public service employment salaries and benefits. As already argued, the new black middle classes are not necessarily in public service to stay. These types of interactions between the state, the new black middle classes, short term aspirations and the new black middle classes wealth accumulation for long term investments are likely to reduce incidences and depths of poverty.

While many participants noted their aspired investments, some of them have achieved some of these aspirations, even as they continue to search for future aspirations. For those who have achieved some measure of their aspirations, most of the participants seem to gravitate around two types of investments, namely, property and insurance schemes. Some examples such as Participant A17 (07/08/2014) possess four properties, additional to the property where his family currently lives. This accumulation of property, according to Participant A17 (07/08/2014) serves two main purposes. On the one hand, participant A16's (06/08/2014) properties provide a cushion during economic hardships such as short term unemployment, on the other hand, they are intended at enabling future generation to accumulate wealth more easily than the current. Participant A17 notes the following about these two objectives.

“rather than taking R1000 or R2000 and putting it in the bank, rather take that R2000 and put it into property. And I can live on that. You know, the rent, but later on they can inherit that, should we come to a point where I cannot maintain it myself, or whatever. But basically, this is what I have done, because I've got, besides my own house, I have got 4 properties” (Participant A17, 07/08/2014).

Of further interest is that, Participant A17 (07/08/2014) has played a major role in introducing the property investments in at least one of his children. Talking of his second born, Participant A17, 07/08/2014 indicates that he is “very very much keen. Right now I am looking for a property for him, even if he is not working or has not paid for himself, but err I am looking for him to invest in him there, that when he comes back (from overseas where he is studying) he can take over” (Participant A17, 07/08/2014).

The above kinds of investments expose entrepreneurial characteristics among participants such as evident in the following articulation by Participant A17.

“...even while I was working at Transnet, I started in 2003, I bought properties, subdivide, add more rooms and hire it out to young students and bachelors and working people, whatever. And others who are ordinary home owners, I would rent them out to families and everything. So that quite worked out very well for me because it sustained me for three years while I was out of work and pay off those properties and also at the same time sustain myself and also pay for my kids university fees” (Participant A7, 07/08/2014).

Others such as participant A13 (28/07/2014) cite that, although their parents possessed four houses (delivered to them by the apartheid government), they did not bequeath any of these properties to their children. Infact, the likelihood of participant A13’s (28/07/2014) parents to bequeath property to their children is low, judging by the participant’s response as follows. “No!! my parents believe you have to work for yourself. You cannot be reaping the benefits from somebody unless they are late. But now when they are alive, you have to work” (Participant A13, 28/07/2014). This participant’s household is deeply religious, suggesting traces of protestant work ethics as argued by Weber (see Weber, 1930). As far as the theme under discussion is concerned, possession of assets by the previous generation does not necessarily translate to inheritance of those assets by the next generation. It does however suggest better economic possibilities for the next generation, assuming that the new black middle classes can provide a ‘positive start’ to the next generation.

Some instances such as participant A12’s (22/07/2014) represent a different dynamic. Growing in a poor household, participant A12 (22/07/2014) was forced by circumstances to support his siblings, even before he got married. Having received nothing in terms of asset investments from the previous generation, participant A12 (22/07/2014) claims to have initiated savings for the sake of his children, although he admits that “putting your money at the financial institution is like putting your money under your pillow...once I see that it is enough money that I can put my money elsewhere, may be money market and stuff, I will definitely do that” (Participant A12 (22/07/2014).

From the foregoing, participant A12 (22/07/2014) seems aware that making savings in the bank is not necessarily a transgenerational investment, but at least he has initiated what he

considers as a long process of investment. From his view, participant A12's (22/07/2014) career and investments would have taken a different turn, if he had received capital support from the previous generation. This is evident in the following articulation. "I always tell my children, I was not meant to work. I'm working because I had to start somewhere. I see myself taking retirement very very early and being independent" (Participant A12 (22/07/2014)). The investment for 'financial independence' maxim is also shared by Participant A11, (18/07/2014), who grew up in a rural area, and did not receive any asset from the previous generation. Participant A11, (18/07/2014) has "just recently started working on an investment that I would say would take care of my pension and would be an estate for my kids when they grow up...in the hospitality industry" (Participant A11, (18/07/2014)). The objective for this investment, according to participant A11 (18/07/2014), is "to break the cycle of employment...the government employment" considering that the participant is a public servant. This example reveals an aspiration for financial independence, and by implication resonates with participant A12 (22/07/2014) that working as a public servant is simply because participant A11, (18/07/2014) 'had to start somewhere' to use participant A12's (22/07/2014) language.

It appears therefore, that the lack of investments from the past generation has created a need for a starting point, as far as the new black middle class is concerned. The state, as already argued, functions as the basis for wealth accumulation, whether in terms of affirmative action policies, or work opportunities in the public service. Evidently, the new black middle class who work for the state interact paradoxically with the state. On one hand, the state functions as a basis for aspirational achievement, on the other, it enables the new black middle class to create long term aspirations.

Importantly, future aspirations of the new black middle classes are likely to delay, due to excessive pressure to distribute wealth, which could have been used for upgrading of the new black middle classes skills. This issue is discussed below.

6.5. THE IMPACT OF INTERGENERATIONAL WEALTH DISTRIBUTION ON ECONOMIC CAPABILITIES OF THE NEW BLACK MIDDLE CLASSES

Data suggests that there are efforts by almost all interviewed participants to upgrade their skills, whether at the moment these efforts are aspirational or achieved. On the 'pull' side of these efforts is the objective of gaining more capabilities for wealth accumulation. This is

what Piketty (2014) considers as wealth accumulation from labor. On the ‘push’ side, the black middle classes are determined to reinforce (and back-up) their capabilities, against minor economic shocks. Interviewed participants suggested that, although for the majority of them the state has been a critical ‘poverty interrupter’, their ultimate objective is to make use of skills and wealth accumulated through the state for a more sustainable income source outside the state. Analysis of responses from the black middle classes who are situated in the private sector suggests that majority of them are making efforts to ensure that their skills do not remain stagnant. Whether these aspirations are translating into reality is a different question.

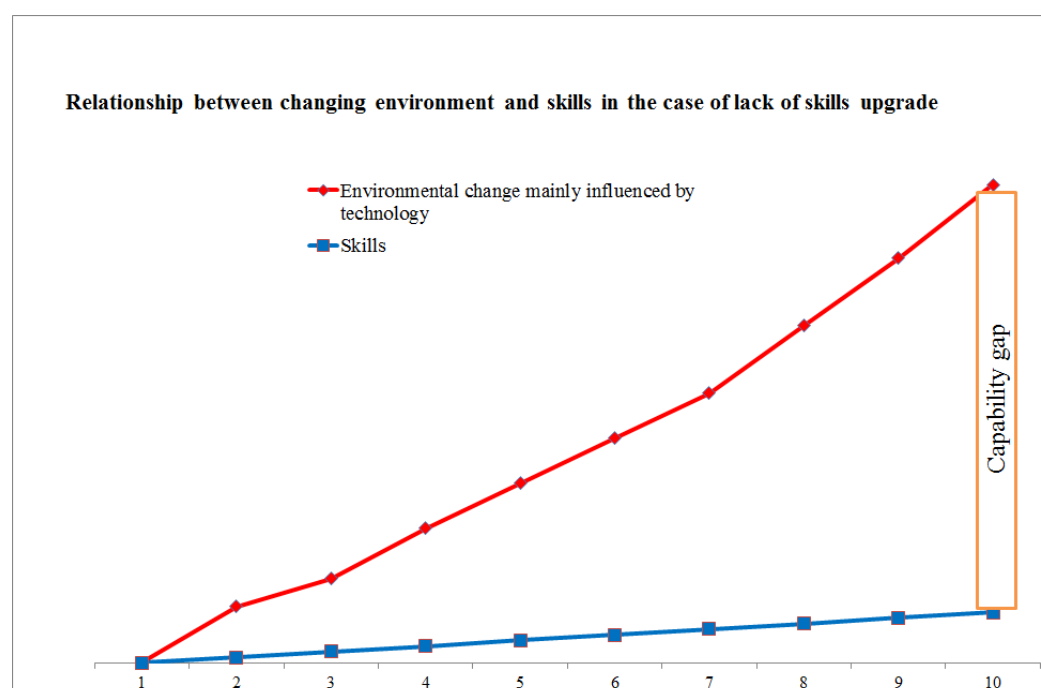
Participant A10 (16/07/2014) who is situated in the private sector reveals the attempts to improve skills for economic mobility purposes. He narrates that his choice of journalism as his first skills training was influenced by people at his mother’s work place. He did not wait until he was sure of what his life passion was, for him, whatever skills could be acquired, he made efforts to acquire them. Only later on after two years of full time study towards Journalism did participant A10 discover his passion for sales, and later on, specifically, vehicle sales. Although an expensive exercise (considering that participant A10 used his mother’s income to study Journalism, only to change courses) and in conservative assessment wastage of already scarce resources, this mobility is demonstrates not just pursuit of wealth, but pursuit of skills (the capability to acquire wealth). In this case, if participant A10’s mother had sufficient income; the participant would probably have waited until he was persuaded of his passion. This ‘waiting’ was, however, a luxury the participant could not afford. This is a good example of how intergenerational wealth distribution (or lack of it in participant A10’s case) can shape the pursuit of ‘wrong’ skills.

In the case of participant A4 (13/06/2014), important as skills development might be, current economic pressure, (meeting the economic needs of her four children, supporting her sister who is in University, supporting her mother as well as her grandmother on a monthly basis) force her to consider other kinds of income sources which would require less time to develop skills. She has thus opted for investment policies and she is planning to start a Bed and Breakfast as an investment. The choice of these investment options is influenced by the time constraints, of which given the dependence of extended family on participant, (A4 (13/06/2014) taking time off for any extended (unpaid) skills development exercise would

threaten the survival a large circle of relatives. This scenario concludes that the participant is influenced by the pressure to distribute wealth, to abandon her skills development.

In both the above cases, the upgrading of skills might occur as a ‘late life’ phenomenon, after economic pressures from multiple generations have relented. This points to possibilities for delayed investments, delayed skills upgrade and subsequently delayed or in the worst case scenario absence of wealth transmission to the next generation. These examples suggest the probability of deepening little p poverty which as already argued characterises the current new black middle classes, ultimately graduating it into big P poverty, in the next generation.

As the black middle classes seek to balance their future aspirations and intergenerational wealth distribution, there is a likelihood that the gap between economic functioning and economic opportunities would increasingly widen, mainly due to depreciation of productive networks, stagnant or decreasing income in the face of increasing demand on existing wealth, stagnant technology skills in the context of changing environment mainly influenced by new technology, among other factors. With time, the individual’s capabilities might become redundant and obsolete in the context of changing environment. This situation illustrates a wide capability gap as shown below.



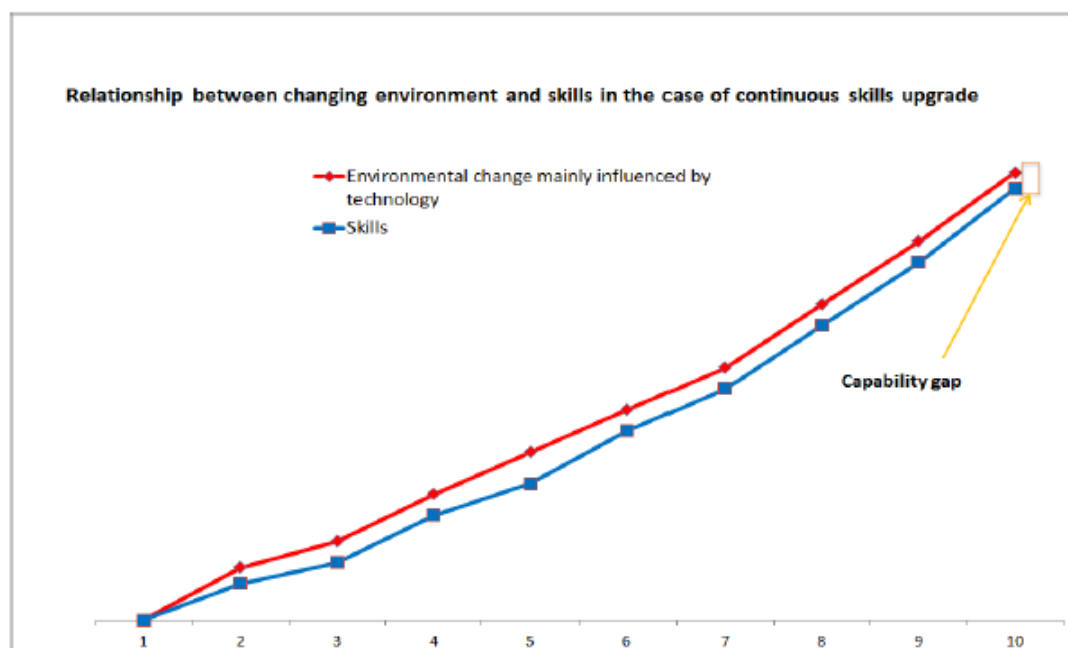
Source: Author's Own

Figure 13: An illustration of a wide capability gap

This wide capability gap might not be directly transmitted to future generations, rather, it might constrain future generations from acquiring economic functioning's mainly due to lack of resources to utilise opportunities. For example, if parents lack labor skills, they are likely to have less income, which diminish the probabilities for their children to acquire decent education. In this way, the parents' capability gap potentially influences their childrens' capability gap. Majority of the interviewed participants therefore had to 'build foundations' by paying for their university fees, accumulate wealth, and for the first time, without generational mentorship, make investment decisions. In the event that the current generation of middle classes fail in any or all the above, the capability gap is expressly transferred to them, from their parents.

This is not necessarily a cause and effect situation. Children can get sponsorships to study, or the parents might get sudden inheritance, which they can dispose to pay off school fees, schools might offer work opportunities for poor children to raise school fees, and so on. Capability gap in the current generation might therefore not in totality determine future generational capability gap, although it plays a significant role.

When the capability gap is minimal in a given household, the possibilities to increase skills and therefore minimise poverty are high. This is illustrated below.



Source: Author's Own

Figure 14: An illustration of a narrow capability gap

The complex tensions and continuums, actions and reactions in relation to savings, investments and aspirations, construct an intergenerational development paradigm as far as South Africa's economic narrative is concerned. A different economic future- a more developed and less poor society- is therefore emerging, gradual as it might be. That said, though, the ways in which the new black middle classes are burdened with wealth distribution, lead to the conclusion that this different future is unlikely to occur in the current generation of middle classes. Simply because the current middle classes are a transition group. This research contends that economic optimism should be deferred to the next generation, as per the following theory.

6.6. THE NEW BLACK MIDDLE CLASSES DREAM DEFERRED? POSSIBILITIES FOR THE FUTURE.

There are various 'futures' likely to emerge in South Africa, as far as wealth status is concerned. Piketty's (2014) argument is useful here, especially on his observation that income from labor might have less impact of future generational poverty, compared to income from capital. This thesis finds Piketty's reasoning useful in understanding South Africa's new black middle classes, who rely almost exclusively on income from labor, for subsistence, investments and distribution of wealth to past and future generations.

Poor as the parents of the current black middle class might have been, findings suggest that they had dreams for success of their children. This success as conceptualised by parents was labor based than capital based, to use Piketty's theory. Thus participant A18 (08/08/2014) notes that, although her parents were poor, and they could only afford the basics, as far as the parent's dreams for her were concerned, "there was no room for failure". This is especially considering the sacrifices they had to make to put her through University. "My dad had err, had come up with this thing of selling mielies you know" participant A18 notes "especially in summer, so he would be able to generate some cash just to put whoever was supposed to go to tertiary. So I got to Zululand and then I got an education bursary because I was studying to become a teacher" (Participant A18, 08/08/2014),

Challenging as this process was for participant's A18's parents, she managed to attain university education, but she could not continue studying further, because she needed to begin supporting her parents, her niece and her son. Therefore, even after the relative success,

she has not achieved full economic independence to make any meaningful investment. Concerning her dreams for her son, participant A18 (08/08/2014) makes the following claim: “if I had it my way, you know, he would just study until he felt he would not need to study”. An informal conversation with her son, suggests that he would like to start working as soon as he completes his first degree, so that he could support his mother. Thus, the dreams of participants A18 as well as her dreams for the next generation are yet to be fully realised.

A slightly different yet interesting case is that of participant A9 (04/07/2014). Like participant A18, he grew up in abject poverty. This did not dissuade his mother from ‘dreaming big’ for her son. “My mother...in that era, she had dreams for me” participant A9 (04/07/2014) notes “admin like in the government offices. At the moment the jobs of the highest position – a clerk in the government offices. Any government office, could be home affairs, or whatever....but government office”. The mother’s dream was achieved only in part, when the participant started his own business, and was forced to support his mother, siblings and extended relatives. Participant A9 (04/07/2014) cites that he is currently unable to make major investments, or even to upgrade his skills, considering the priority of providing support to his family. His dream for his children is that they will be economically independent than he is.

The foregoing sections (6.3, 6.4 and 6.5) suggest an interesting trend, where the past generation could only transmit aspirations (and not capital or labor skills) to the current generation. The current generation is relatively better endowed with labor income, and, some are making efforts to acquire capital and subsequently income from capital. Lifestyle sacrifices still need to be made and major investments have to be deferred.

This situation derives from the fact that, understanding South Africa’s new black middle classes require re-visiting Antonio Gramsci’s articulation of crises, which he argued that they consist “precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear” (Quintin and Geoffrey, 1971:132). In this sentiment, Gramsci was interested in debunking political crises, with his discovery pointing to the significance of a transition period- the episode between one paradigm and the next. In this transition, Gramsci detected more evidence of death than life, with obvious delays of new life. Supposing Gramsci’s observation is true, the visibility of death in the

place of life is a function of expectations of something new, and a lack of patience with the old. This is largely the case with the new black middle classes.

South Africa's political, economic, spatial and social discourses are considered legitimate only if their reference point is Gramsci's 'old which is dying' –that is, apartheid and its multidimensional legacy. Attention on the new black middle classes exists only in so far as an old system which suppressed the black middle classes is disintegrating. But is the wealth dream intended for this generation? Dollar (2007) would argue it is, if we consider his study on China, which suggests that roughly 500 million poor people experienced upward economic mobility into middle classes in less than four decades (2007). Between 1978 and 2004, Dollar (2007) observes that China's poverty rate reduced from 64% to paltry 10%. Dollar (2007) attributes this performance to what he refers to as better base of human capital (pointing to the fact that in 1870, China's adult literacy rate was 21%), better investment climate and openness to foreign trade. Dollar's is a neo-classical perspective, which makes conclusions on the basis of macro-economic indicators. Like the new black South African middle classes, China's middle classes over the past half a century are state manufactured. Ekman's narrative (2014) of the relationship between China's middle classes and the state reflects easy parallels with South Africa's new black middle classes. She posits that,

“Chinese middle classes maintain a relatively high degree of connection with the Communist Party and state institutions. Civil servants and employees of state affiliated institutions form a significant part of it, and entrepreneurs often developed their business through prior Party connection or newly-built ones” (Ekman, 2014:2).

Are South Africa's possibilities, then, equivalent to China's? Going by China's example, is South Africa's poverty likely to decline from the current 25% to less than 10% by 2050? The answer to these questions lies in the different cultural, socio-economic, political as well as histories of both countries. The inter-generational economic relationships are especially a major difference between the two countries, mainly because South Africa's colonization stretches over six generations back, if a generation is taken to mean 50 years. Adding to this long chronology of deprivation are the excessive apartheid policies, which significantly deepened already widespread poverty. The new black middle class is therefore deeply involved in distribution of wealth to all existing past generations. As already argued earlier in this research, the new black middle classes are yet to achieve wealth as surplus capital rather

than wealth as a means of subsistence, whether the subsistence of the middle classes or of the households in which the middle classes are deeply intertwined.

This conclusion is partly arrived at considering an entrepreneurial report published by the First National Bank in 2009. The report observed that the Total Entrepreneurship (TAP) in South Africa is alarmingly low compared to other emerging countries such as India, Brazil, Mexico, and Colombia (First National Bank, 2009). Less than ten percent of the active labor force is considered as entrepreneurial (Ibid). Breaking down entrepreneurs to population groups, the same report found that Indians and whites were more likely to become entrepreneurs than blacks and coloureds (Ibid).

The above findings should be considered in view of the objectives of the post democratic state. During his inauguration in 1994, former President Nelson Mandela stated the objectives of the democratic state as to “...create a people-centred society of liberty [and the] pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from suppression and freedom from fear” (Republic of South Africa, 1994). Two decades have passed, and affirmative action is yet to produce a self-reliant private sector based black middle classes. Pessimists will contend that Nelson Mandela’s freedoms are utopian, and cannot be realised. This pessimism ignores the self-evident, considering that many developed countries have arrived at Nelson Mandela’s paradise.

The question then should not be whether that paradise exists or not, it should rather be how long, and under what conditions these freedoms could be achieved. Thus said, on a given level, acquisition of wealth by the current generation will in all probabilities be transmitted to the next generation, even if these transmissions are not directly intentional. Although majority of respondents aspire bequeathing of wealth to the next generation, ‘short haul’ vision appears more dominant in wealth accumulation efforts. Also, worth noting is that none of the respondents made reference to intergenerational wealth transfer as an important measure of affluence. They all gravitated around surplus, without much thought on what the surplus should essentially cover. The only intentional transmission based on black respondent’s actions (rather than claims) is education. The educational commitment seems to be founded on the experiences of majority of respondents, some of whom are still paying off

their study loans – a commitment which shouldn't be there in the first place, if their parents had covered it.

As argued earlier, while the tendencies by the new black middle class to achieve high level of consumerism might be viewed as luxurious lifestyle, arguably, this is a significant contribution towards the 'future basic' of the next generation. Thus, owning a decent house or vehicle potentially points to an equilibrium start on the part of the next generation. Equilibrium start here means the ability to bring productive assets¹² into the market, and therefore competing meaningfully. Given that majority of the new black middle classes tend to have lean families; sharing of the current (new black middle classes) generation's wealth would go a long way in providing an equilibrium start for the next, which in turn is likely to produce an equilibrium start for the next, and so on. Equilibrium start enables a middle class household to provide more than one chances for failure, or mistakes.

So, if a middle class household member fails in education, or sports, they will have relatively more resources to enable other careers such as music. Conditional to equilibrium start, the future generation potentially has more opportunities than the current to make mistakes and restore these mistakes with limited long term consequences. This is the case in South Africa's new black middle class context. In summary, therefore, the economic freedom envisaged by the democratic state, is likely to be realised in the next generation of middle class.

6.7. CONCLUSION

The objective of this chapter was to demonstrate the intergenerational transfer of wealth spanning three generations; the immediate past generation, the new middle classes and the generation after the current new middle classes. In this quest, the first section sought to demystify the household as a system, and how it functions as a contesting ground for wealth transmission. The section on households as intergenerational spaces argued that household systems are not time bound, they are, instead, timeless, and proposed the need to consider them not as spaces of survival but opportunities for development.

Following this context, then, the chapter analysed data on intergenerational wealth transmission from the immediate past generation, to the new black middle classes and into the immediate next generation. The notion of wealth was deconstructed into aspirations,

¹² Productive assets are those which enable an individual to accumulate wealth using these assets.

savings and investments. In this deconstruction, the chapter determined that by and large, the past generation engaged more in aspirations transmission than assets for the simple reason that many black Africans did not possess material wealth. The new middle classes have accumulated a measure of material wealth and are thus able to transmit both aspirations and material wealth to the next generation. Except that this transmission is not a straightforward affair, it is dependent on a range of preferences and choices. For example, the new middle classes are largely consumerists essentially as an effort to re-start life from an equilibrium point.

CHAPTER SEVEN: CONCLUSIONS AND AREAS FOR FURTHER RESEARCH

From a phenomenological approach, this research set out to narrate how wealth is being transmitted inter-generationally from within new black middle classes' households. The objective was not to provide policy solutions, but rather to add to existing knowledge on the new black middle classes. The study interrogated these issues from a Systems Thinking framework in order to demystify the otherwise highly complex human problem issues. Within the thesis Systems Thinking is considered critical to "...grasping how...tensions and contradictions are being produced in practice – and how they hold open the possibility for something different to emerge" in South Africa (Hart, 2010:18).

This was therefore a complex journey to establish how new wealth is being distributed in black African households; the extent to which Systems Thinking is able to present new understanding of black African household wealth dynamics, the changing black household dynamics generated by new wealth, the ways in which these dynamics treat intergenerational poverty and the possibilities provided by new wealth distribution among new black middle classes.

The study has been organized in seven chapters, with Chapter One introducing the study. The introduction provided the essential context of the research, highlighting the naivety of post-apartheid policies in predicting the future. While these policies were rightly concerned with the urgency of services delivery, they did not envisage how their impact would re-shape South Africa's economic classes, two decades on.

The Reconstruction and Development Programme¹³ (RDP) was essentially interested in providing basic services to the previously marginalized, while its successor, the Growth, Employment and Redistribution (GEAR) focused on economic growth as a point of departure, with less regard on how this growth would re-shape social structures. None of these policies foresaw the kinds of socio-economic shifts the country would have taken two

¹³ The Reconstruction and Development Programme (RDP) was South Africa's first post-apartheid development policy. It was formulated by labor (Congress for South African Trade Unions, COSATU) and adopted by the African National Congress as an election manifesto in 1994 (Marais, 2001). Effectively, the context in which the RDP was formulated shaped the labor bias nature of the policy (Southall and Wood, 1999)

decades into democracy, in particular the emergence of a powerful state-manufactured middle class. They also missed an opportunity to predict the dimensions of new black South African middle classes as part of this emergence, and the task of these new black middle classes in shaping the national moment of socio-economic change. The reality is now different, and therefore new debates have emerged on the social and economic meanings of the new black middle classes in modern and future South Africa.

This being the case, Chapter One critiqued the way in which middle class debates are guided more by journalistic approaches and less by a scholarly discourse, with scholarly literature trailing long behind in narrating the character, shape and socio-economic potential of South Africa's emerging middle class. Chapter One also identified two 'fault lines' within these debates; the first being that households are not often integrated into mainstream economic development discourses, they rather appear as backyard actors as far as the efforts to enhance economic growth and development in the country is concerned. On this point, it is argued in the thesis that the extent to which social and economic stability exists in a household, and the nature in which this stability is shared and transmitted within a household setting, yet within the broader set of social institutions, is mainly absent in South Africa's economic development literature. The second fault line relates to limited studies on the character of black African households in South Africa. This, as argued in chapter one, issues from an increasingly evident mission to de-racialize the South African society, a trend which has tended to overshadow otherwise important questions which are almost impossible to dis-embed from race in South Africa.

Chapter Two reviewed local and global literature on intergenerational poverty as well as wealth distribution debates and discourses, as a broad frame of understanding black South African middle classes wealth distribution behaviour. Mapping out poverty discourses within Development Economics, this Chapter presented various versions of the causes of poverty, from different theoretical schools. From the structuralist position, poverty is a relational problem, which could be effectively addressed from state intervention. Revised versions of the structuralist school have toned down arguments on state interventions, citing that the state is probably more effective when it plays a facilitative role. The classical Malthusian theory attributes poverty to cultural practices and beliefs. Classical Marxist theory contends that poverty is rooted in class conflicts, which are always engaged in cyclical yet contradictory patterns of capitalism. The Critical Marxist School, which is a revision of classical Marxism,

shares the understanding of poverty as a by-product of the capitalist modes of production with Classical Marxism, except that it focuses on how poverty reproduces itself after it has been caused by contradictory capitalism. In the same chapter, the neo-classical theory of poverty is also presented. The central tenet of this approach being that individuals are responsible for their actions and outcomes. Finally, the cognition depletion school has been examined, which concludes that scarcity reduces the use of cognitive resources, which in turn impact negatively on decision making. The last two sections in the second chapter discussed intergenerational poverty in development discourses, as tracing emerging development paradigm, namely, intergenerational poverty as well effectively putting forward a reconceptualization of poverty.

Chapter Three considered the factors which shape intergenerational poverty. The Chapter characterised the issues which recycle poverty through generations as inadequate access to productive assets, large households as well as households which are deficient of adequate human capital, poor entrepreneurial skills, and spatial challenges. The chapter also deconstructed households as development Systems, before reviewing literature on global and local middle classes. The discussion on global middle classes revealed numerous definitions ranging from Kharas and Gertz's (2010) absolute definition of middle class (\$10 and \$100 per day per capita adjusted to PPP), to Southall's (2004c) occupational approach which features the new black middle class are those who hold positions in government and corporates, they do not own the means of production and, they have a subordinate relationship with the owners of capital. These varying definitions confirm the messiness of the concept and the need for a more meaningful conceptualisation of the term.

The methodology used to gather primary data was articulated in the Fourth Chapter, while Chapter Five and Chapter Six presented the analysis of the collected data. Systems Thinking was used analytically in examining intergenerational wealth transfer from a 'relationships' point of view. And as presented in Chapters Five and Six, these relationships go beyond human relationships to factor relationships. Chapter One made a case for Systems Thinking drawing attention to four tenets which govern this theory. In this context, the following characteristics of the conceptual framework were outlined.

1. The universe is not wholly understandable, based on the fact that human issues and problems are influenced by many Systems, which in turn consist of subsystems, and the chain goes on.
2. Synthesis rather than analysis better equipped to gain understanding on human problems. What this means is that, human problems should not be analysed from isolation, they should be considered in terms of the interaction of multiple actors and factors which produce the whole.
3. Systems Thinking dispenses with reductionist philosophy which considers human issues from a cause and effect pattern. Cause and effect conceptual frameworks stipulate that a cause is altogether sufficient for its given effect. System theorists therefore disagree with reductionists in that, while reductionists argues that the character of each system part determines the outcome of the entire system, systems theory suggests that “...systems behavior is different from the sum of its parts, and does not follow from intentions of the individual agents, but on how system agents are interacting with each other within the system structure” (Menendian, 2008:2).

The research followed the above tenets explicitly and implicitly in presenting the intergenerational wealth transfer narrative, among the new black middle classes. In Chapter Five, for example, the research looked at convergences and divergences of the black middle classes, multiple identities of the black middle classes and inter-relationships among the black middle classes. The reductionist approach to the black middle classes, which narrates that this class is homogeneous was dismantled in this chapter. From a Systems Thinking view, it was also argued that the new black middle classes are characterised by multiple identities which interact to shape the actions and reactions of the new black middle classes (or in Systems Thinking language, ‘the whole’). In the same Systems Thinking conceptual framework, the Chapter dealt with multiple interactive Systems (biological, social and economic) which produce profoundly complex intergenerational wealth transfer patterns among the new black middle classes.

Like in Chapter Five, the analysis presented in Chapter Six kept in perspective the Systems Thinking tenets presented above. The Chapter opened with arguments for households to be viewed from a Systems point of view, considering the multiple relationships which constitute a household, before putting forward a case for re-conceptualising Systems Thinking in terms

of time dimensions as well as rigidity dimensions. On this, Chapter Six noted that Systems can either be strong or weak, depending on the nature of system contracts. Systems which are considered compact, dictatorial and rigid could be referred to as weak systems, simply because they have the potential to crack and disintegrate on reaching a 'boiling point', depending on their environment conditions. Rigid tendencies are reflected in systems which follow particular routines, with little space for change. This rigidity can easily translate into a lack of innovation which can lead to system disintegration. Disintegration is essentially caused by lack of competitiveness and increasing lack of relevance to the surrounding environment. Bureaucracies are typical examples of weak systems. While bureaucratic systems are predictable, they can reach a boiling point where nothing gets done, and the survival of the bureaucracy is depended upon successful change management.

On the contrary, the thesis argued that strong systems could be considered to be more flexible than weak systems, their systems parts are more tolerant and, they do not reach boiling point level. They are also less predictable. A household is a typical example of a strong system. Rules are less rigid, household members (system parts) are more tolerant to each other, mainly because their bond is timeless. This conclusion considers the conventional household, which largely consists of biologically related members. Regardless of how irregular some household system parts might be, they cannot resign or be dismissed from being members of the household. In other words, these sorts of systems do not reach boiling points, and thus they are not designed to disintegrate. They rather tend to decline. In addition, household systems are maintained through loyalties which do not need to have rigid conditions attached. Strong systems such as households can be vulnerable in formulating and implementing economic practices such as wealth distribution, because they rely on the ability and willingness of the economically well-up household members to transmit wealth.

The Chapter further treated the intergenerational interconnectedness of aspirations, investments and assets, and how these sorts of interactions influence wealth redistribution configurations. The capability gap discussion is a good example of Morgan's argument (2005) that when Systems are sometimes starved of nourishment –such as money or wealth– then they begin to decline, what Morgan (2005) calls 'entropy'. On this, Chapter Six contended that transmission of wealth to the next generation is, in Systems Thinking terms, nourishment. This nourishment creates possibilities for a new relationship of the System parts, effectively influencing the entire system to thrive.

Chapters Five and Six demonstrated that intergenerational wealth transfer within the new black middle classes is a complex system which creates ‘feedback loops’ rather than an end point (Brown, 2007). Some of these feedback loops are positive while others are negative. In a positive feedback loop, a change in one element will trigger changes that amplify, or reinforce the original change. In a negative feedback loop, a change in one element will trigger changes that dampen, or balance the original change” (Brown, 2007:81). This argument was exemplified in narrating the interacting forces which collectively produce wealth transmission behaviors and practices.

Overall, this thesis treaded complex terrains, and although it sought to untangle the new black middle classes phenomenon with the objective of revealing how these classes distribute their wealth, the researcher is not naïve to believe that a perfect work has been achieved. Underneath the otherwise bold conclusions made by this research are stubborn tensions and questions which will only be simplified by further research. Some of the important areas for further research which could go a long way in resolving these questions are the following.

An examination of how organizational behaviors shape attitudes on wealth redistribution among the new black middle classes would be a useful research objective in enhancing understanding of emerging middle classes in South Africa. A study focusing on comparison of state produced versus private sector produced middle classes would be especially enlightening.

Middle classes are considered as custodians of the rule of law (Southall, 2004c). Deeper research on how the new black middle classes interact with the rule of law would go a long way towards critiquing this assumption. Under South Africa’s current economic conditions and prospects, it is important to empirically determine the extent in which the new black middle class is willing to promote the rule of law as a value issue. It is also useful to establish if South Africa’s new black middle classes are likely to construct non democratic systems in pursuit of self-interests. This should be done in view of the predatory self-interest tendencies of Africa’s and the Caribbean post-colonial middle classes (Thame, 2011).

More rigorous studies on the spatial choices made by the new black middle classes would also go a long way in dispensing assumptions that the new middle classes homogeneously would like to relocate from townships to suburbs. Attention should especially focus on the

factors which shape choices of specific residential locations over others, and the kinds of linkages which exist between past locational choices and the current choices being made within households and by heads of households.

Another important research area could be investigation of the extent to which the new black middle classes relates to social action. What is an ideal society for the new black middle classes, and, how far would these classes go in transforming the current society into the desired one without expecting direct economic benefits? These sorts of questions will shed light on whether optimism on the transformative interests of the new black middle classes is misplaced. Furthermore, with increasing global efforts on environmental conservation, it is necessary to establish how the new black middle classes in South Africa are interacting with discourses and the practice of environmental conservation. This kind of research will likely offer possibilities for re-tooling environmental conservation options if the new middle classes are found to be environmental conscious

Considering all chapters collectively, the thesis established four perspectives which should be mainstreamed in debates and discussions around the new black middle classes in South Africa. They are the following.

First, while the new black middle class reveals some common features such as shrinking household sizes, selective cultural traits and thick intergenerational wealth redistributive patterns, significant variations relating to aspirations and attitude to wealth do exist, and therefore a pluralisation of the term middle class is recommended as a more representative term. Second, the research found that the new middle class almost always yields to social, economic and biological pressures to redistribute wealth, effectively delaying savings and investments. Third, these strong redistribution pressures force the new black middle class into what the study has conceptualised as ‘small p’ poverty. The study has then contended that under given conditions, small p poverty can potentially graduate into ‘big P’ poverty. Fourth, the research concluded that while the global middle class is overwhelmingly considered as a solution to underdevelopment, caution should be exercised in the South African case. This optimism should be delayed to the next generation of black middle classes, because the current is too deeply intertwined in backward and forward intergenerational wealth redistribution webs to yield immediate results. A future black middle class generation is

likely to operate under less pressure, and therefore will in all probabilities be comparatively free to save and invest, facilitating the possibilities for greater intergenerational wealth distribution as well as economic independence from former generations.

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APPENDICES

APPENDIX ONE: INFORMED CONSENT

University of KwaZulu Natal
Graduate School of Business and Leadership
College of Law and Management Studies.

PhD Candidate: Jason Musyoka

Student Number 206 510 755

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Cell: +27 72 396 1938.

Supervisor: Jennifer Houghton

Email: houghton@ukzn.ac.za

Office: + 27 31 260 7429

DATA COLLECTION, ON HOW WEALTH IS BEING DISTRIBUTED AMONG PREVIOUSLY DISADVANTAGED HOUSEHOLDS

Dear Sir/Madam.

My name is Jason Musyoka, a PhD student based at the Graduate School of Business and Leadership in the University of KwaZulu Natal. As part of my PhD project, I am collecting information with the objective of understanding how wealth is being distributed in previously disadvantaged households, especially with future generations in perspective. This objective considers that since 1994 there has been a growing middle class in South Africa, majority of whom are the first generation to break from poverty. This trend suggests the need to understand whether this middle class is a permanent change in South Africa, or we are still likely to see future generations falling back to poverty. Your household has been identified as one of the new black middle class households, through establishing your neighbourhood location and referrals from the neighbourhood.

Due to the nature of the study, data will be collected using a qualitative approach. In this light, face to face (semi structured) interviews among at least twenty households will be conducted. The focus of the interviews is households of previously disadvantaged Black Africans, but now they form part of the country's middle class. The selection of respondents is dependent on at least one of the following. (a) That the household income is higher than R10,000 per month per capita, (b) That they are located in Newcastle Municipality's western Suburbs and (c) that they are in mid to top level management positions in government or in private firms. This information will be synthesized and integrated into the PhD report, and will be used for academic purposes. Your identity will not be exposed, and where your views are presented, these will be coded so that they are not traceable to any individual.

Participation in this interview is voluntary, and as such there are no financial or any other material benefits expected from this exercise. This also means that if you are uncomfortable at any point during the interview, you are free to terminate the interview, without feeling obliged to give any reason. Withdrawal for whatever reason will not disadvantage you in any way. For the express purpose of easy transcription of data, I would like to record this interview, with your permission. Any recorded conversation will be destroyed after analysis of the data, as will be all hand written notes on my interview with you.

The interview will take approximately 45 minutes. Importantly, if you need to confirm, inquire or even register discomfort during the interview, please feel free to contact my supervisor Dr Jennifer Houghton, Tel 031 260 7429; Email: houghton@ukzn.ac.za or the university of KwaZulu Natal's research ethics office represented by Ms P Ximba; Tel: 031 260 3587, Email: ximbap@ukzn.ac.za.

DECLARATION

Ihereby confirm that I understand the contents of this document and the nature of the research project, and I agree to participate in it as a respondent. I understand that participation on this project is voluntary, and that I am at liberty to withdraw from the project at any time without feeling obliged to provide a reason, or without incurring any disadvantage. I consent to this interview being recorded.

Signature of participant

Date

.....

.....

Researcher's signature

Date

.....

.....

APENDIX TWO: INTERVIEW GUIDE

Project Title: Perspectives on emerging wealth distribution in South Africa's previously disadvantaged households: A Systems thinking approach.

University of KwaZulu Natal
Graduate School of Business and Leadership
College of Law and Management Studies.

PhD Candidate: Jason Musyoka
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Human and Social Sciences Ethical Clearance Research Office
Ms P Ximba,
Tel: 031 260 3587,
Email: ximbap@ukzn.ac.za)

INTRODUCTION

Good morning/afternoon. My name is Jason Musyoka, a PhD candidate registered with the University of KwaZulu Natal's School of Law and Management Studies. As part of my PhD research, I am conducting interviews on how new wealth is being distributed in recently wealthy households, and how this distribution affects future generations. In other words, the study focuses on first generation middle income black households. In this regard, please tell me the following about your parents household when you were growing up.

SECTION 1: SCREENING CRITERIA.

| | Yes | No |
|---|-----|----|
| Considering when you were growing up, please tell me whether your parents were located in what you would consider as middle income suburbs or in townships. | | |
| Would you say that your parents' household earned an average income of R1400 per individual per month, when you average all the household income? | | |
| Did one or both of your parents hold a mid-level or senior management position in government or in the private sector when you were growing up? | | |
| If the answer is yes in any of the above, thank respondent and terminate Interview | | |

And please tell me the following about the current status of your own household.

| | Yes | No |
|---|-----|----|
| Please tell me whether you consider the location of your household as a middle class area. | | |
| Would you say that your household earns an average income of R1400 per individual per month, when you average all the household income? | | |
| Do you hold a mid-level or senior management position in government or in the private sector? | | |
| If the answer is yes in any of the above, Please proceed with the interview. | | |

As already indicated in the informed consent, please note that this survey is voluntary, and therefore if you feel uncomfortable, or you do not want to continue with the interview for whatever reason, please feel free to withdraw at any stage. I would also like to request for permission to record this interview, exclusively for the purpose of accurate capturing of all information you will provide. The recording will be treated with confidentiality, and will not be transferred to any third party, whatsoever.

Would you like me to record the interview?

| | | |
|-----|--|--|
| Yes | | Continue with interview and record. |
| No | | Continue with Interview without recording but make notes |

SECTION 2: DEMOGRAPHICS:

| | |
|--------------------|--|
| 2.1. Gender | |
| Male | |
| Female | |

| | |
|------------------|--|
| 2.2. Age | |
| 18-25 | |
| 26-30 | |
| 31-35 | |
| 36-45 | |
| 45-60 | |
| 60+ | |
| Actual Age _____ | |

| | |
|--|--|
| 2.3. Education level | |
| Some Primary | |
| Primary completed | |
| Some secondary | |
| Secondary completed | |
| Some college/university | |
| Completed Undergraduate Degree (Specify) | |
| Complete Postgraduate degree (Specify) | |

| | |
|-------------------------------------|--|
| 2.4. Employment Status | |
| Full time employed (Government) | |
| Full time employed (Private Sector) | |
| Contract employed (Government) | |
| Contract employed (Private Sector) | |
| I am Self employed | |
| Other (Specify) | |

Please tell me your actual title at work

| | |
|----------------------------|--|
| 2.5. Marital Status | |
| Married | |
| Divorced | |
| Cohabiting | |
| Widowed (Single parent) | |
| Widowed (No children) | |
| Separated | |
| Other (Specify) | |

| | |
|-------------------------------|--|
| 2.6. Religion | |
| Protestant (Evangelical) | |
| Protestant (Charismatic) | |
| Seventh Day Adventist | |
| Catholic | |
| Jehovah's Witness | |
| African Traditional Religions | |
| Islamic | |
| Hindu | |
| Other (Specify) | |

2.7. What is your average monthly household expenditure?

| | |
|-----------------------------|--|
| Between R5000 and R10,000 | |
| Between R10001 and R20,000 | |
| Between R20001 and R35,000 | |
| Between R35001 and R 50,000 | |
| Over R50,000 | |

SECTION 3: PREVIOUS GENERATION WEALTH STATUS AND DISTRIBUTION

3.1. In your view, what are the major investments made by your parents, which were directly intended at enabling you to create wealth?

3.2. Please tell me outside your parent's nuclear family, any other regular support your parents offered to extended family, or friends and neighbours.

3.3. Was the support to extended family, friends or neighbours a choice or an inevitable obligation?

3.4. What would you say were the most important aspirations for your parents when you were growing up?

SECTION 4: CURRENT HOUSEHOLD ECONOMIC STATUS AND DISTRIBUTION

4.1. What are some of investments you have made which are intended at enabling your children or grandchildren to accumulate wealth?

4.2. What household based factors, if any, constrain you from making investments intended at benefiting your future generation's wealth accumulation?

4.3. Please tell me outside your nuclear family, any other regular support your household currently offers to extended family, or friends and neighbours.

4.4. Is the support offered to extended family, friends or neighbours out of choice or an inevitable obligation?

4.5. What are the most important aspirations in your household, currently?

4.6. How important were important to you personally, when you were growing up?

| | Very Important | Somewhat Important | Somewhat not important | Not Important at all |
|--|----------------|--------------------|------------------------|----------------------|
| Private living place | | | | |
| Quiet living place | | | | |
| Owning a house or flat | | | | |
| Owning a new (showroom) vehicle | | | | |
| Starting a business which would last through generations | | | | |
| Living in a Clean environment | | | | |
| Ensuring quality education for your children | | | | |
| Attending Social functions such as parties | | | | |
| Ensuring Budgeted (not impulsive) spending | | | | |
| Purchasing designer clothing | | | | |
| Going on Family Holidays | | | | |

4.7. How important are the following to your household at the moment?

| | Very Important | Somewhat Important | Somewhat not important | Not Important at all |
|--|----------------|--------------------|------------------------|----------------------|
| Private living place | | | | |
| Quiet living place | | | | |
| Owning a house or flat | | | | |
| Owning a new (showroom) vehicle | | | | |
| Starting a business which would last through generations | | | | |
| Living in a Clean environment | | | | |
| Ensuring quality education for your children | | | | |
| Attending Social functions such as parties | | | | |
| Ensuring Budgeted (not impulsive) spending | | | | |
| Purchasing designer clothing | | | | |
| Going on Family Holidays | | | | |

SECTION 5. PERSPECTIVES ON WEALTH DISTRIBUTION DEMANDS

5.1. If it was a matter of choice, please tell me to what extent you are willing to sacrifice middle class lifestyle to support your parents or siblings.

5.2. If it was a matter of choice, to what extent would you sacrifice middle class lifestyle, to make investments for your children.

5.3. If it was a matter of choice, to what extend would you sacrifice investments for your children to support to your parents or siblings?

5.4. What economic expectations do you think your parents have on your household?

5.4. What are your economic expectations on your children?

THANK YOU FOR YOUR TIME

APPENDIX THREE: ETHICAL CLEARANCE LETTER



18 December 2013

Mr Jason Musyoka (206510755)
Graduate School of Business & Leadership
Westville Campus

Protocol reference number: HSS/1393/013D

Project title: Perspectives on emerging wealth distribution in South Africa's previously disadvantaged households: A systems thinking approach

Dear Mr Musyoka,

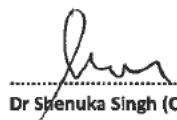
Expedited Approval

In response to your application dated 14 November 2013, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully


.....
Dr Shenuka Singh (Chair)

/ms

cc Supervisor: Dr Stanley Hardman
cc Academic Leader Research: Dr E Munapo
cc School Administrator: Ms Wendy Clarke

Humanities & Social Sciences Research Ethics Committee

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Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville