

**The role of faith-based organisations in poverty
alleviation in South Africa: Challenging Putnam's
conception.**

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Declaration

Submitted in partial fulfilment of the requirements for the degree of Master of Arts, in the Graduate Programme in Political Science, University of KwaZulu-Natal, South Africa.

I declare that this dissertation is my own unaided work. All citations, references and borrowed ideas have been duly acknowledged. I confirm that an external editor was not used. It is being submitted for the degree of Master of Arts (Political Science) in the Faculty of Humanities, Development and Social Science, University of KwaZulu-Natal, South Africa. None of the present work has been submitted previously for any degree or examination in any other University.

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Abstract

The number of South Africans that fall beneath “a commonly accepted poverty line” has risen from 17 million in 1996 to 23.5 million in 2008 (CDE, 2008: 6). The escalating poverty levels and the critical shortage of state-driven poverty alleviation programmes have led to the expansion of a space in which civil society organisations are attempting to address South Africa's development deficit. Given the potential and actual influence of such organisations, specifically faith-based organisations (FBOs), in poverty alleviation programmes, coupled with recent debates on the dark side of associational life, this research examines FBOs in terms of Putnam's conception of bonding and bridging social capital. Examining one particular FBO, in which no evidence of bonding social capital or exclusion is found, the research questions Putnam's rather narrow perception. However, strict gate keeping exercises on the part of the FBO, a lack of empirical data and the presence of complex social realities prevent a comprehensive evaluation of the FBO. Unable to prove whether this FBO provides a suitable model for the government to implement or whether the FBO is an appropriate candidate for government to partner with in the fight against poverty, it is proposed that a more wide-scale investigation of the programme and its participants, be conducted.

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Abbreviations and acronyms

ABET	Adult Basic Education Training
ACAT	Africa Co-operative Action Trust
ANC	African National Congress
BOP	Better-Off Poor
CDE	Centre for Development and Enterprise
CERLAC	Centre for Research on Latin America and the Caribbean
CMC	Community Management Committee
CSO	Civil society organisation
CV	Community Volunteer
EDP	Entrepreneurial Development Programme
EO	Extension Officer
FBO	Faith-based organisation
GDP	Gross Domestic Product
GEAR	Growth Employment and Redistribution
GGI	Geneva Global Incorporated
G5	Group of Five
HSRC	Human Sciences Research Council
ILA	Integrated Livelihoods Approach
KDC	KwaZulu Development Corporation
KZN	KwaZulu-Natal
NGO	Non-governmental organisation
NRASD	National Religious Association for Social Development
NRLF	National Religious Leader's Forum
NIMBY	Not In My Backyard

PACLA	Pan African Christian Leadership Assembly
PIR	Poverty and Inequality Report
POP	Poorest of the Poor
PROVIDE	Provincial Decision-Making Enabling Project
PTA	Parent Teacher Association
RDP	Reconstruction and Development Programme
SABJD	South African Board of Jewish Deputies
SACLA	South African Christian Leadership Assembly
SAIRR	South African Institute of Race Relations
SAP	Sustainable Agriculture Programme
SAUPJ	South African Union for Progressive Judaism
SPII	Studies in Poverty and Inequality Institute
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WRIGP	Welfare and Religion in a Global Perspective
ZMC	Zone Management Committee

Chapter One: Introduction

Approximately half of the South African population is living in poverty, that is, living on less than US\$1 a day (Centre for Development and Enterprise (CDE), 2008:6). Incidences of poverty vary across South Africa's nine provinces. While KwaZulu-Natal (KZN) is the third poorest province in South Africa after Limpopo and the Eastern Cape, it has the largest poverty gap (R18 billion/\$1.8 billion) in the country (Human Sciences Research Council (HSRC), 2004:2). The need to both address the issue of poverty and to promote economic development are two serious concerns for the South African government. However, state efforts to improve the plight of the poor have not been as effective as expected. The seriousness of the poverty situation and the critical shortage of appropriate state-driven poverty alleviation programmes in South Africa has opened space for the mushrooming of civil society organisations (CSOs) that are orientating themselves towards development issues, particularly poverty-related issues (Icheke, 2007:52).

Faith-based organisations (FBOs) represent one sector of civil society that is becoming increasingly preoccupied with addressing the needs of poor South Africans. The Africa Co-operative Action Trust (ACAT), for example, is one of the many FBOs operating in KZN. ACAT is a Christian FBO that focuses on poverty alleviation in KZN and is purported to be witnessing improvements in the lives of its poor participants. The fact that FBOs have not only stepped in to fill a gap left by the state but appear to be making a difference prompts the question "why is the state not looking to these FBOs for assistance in alleviating poverty?"

This dissertation maintains that the answer to this question lies, in part, in the contemporary debates surrounding the "dark" side of associations and organisations. For instance, in his study of social capital, Putnam (2000:77) maintains that FBOs have the potential to produce a negative form of social capital that can create social and religious boundaries. In an attempt to investigate this conception of FBOs, this dissertation examines an FBO and its poverty alleviation programme in the context of Putnam's social capital framework. It endeavours to challenge Putnam's negative assumptions about FBOs and to support the argument that the South African

government should be utilising FBOs and their poverty alleviation programmes in the fight against poverty.

Literature

Each of the three key areas of interest within this study, namely social capital, FBOs and poverty alleviation, are very broad topics. As a way of starting to bring them into conversation with one another, these are briefly introduced below.

While social capital has emerged as a new “buzzword” within the development arena it has been the subject of much contestation. Serious debates have emerged surrounding the definition, measurement, forms and effects of social capital. Putnam (1994:4-6) maintains that social capital, notably the “features of social organisation, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit”, fosters good governance and economic growth. This argument has been largely responsible for popularising the concept of social capital within the development realm. Putnam and Gittel and Vidal (1998:15) have advanced two main types of social capital: *bonding* and *bridging* social capital. Bonding social capital exhibits an inward focus which tends to emphasise exclusive identities and homogenous groups. Networks that are representative of bridging social capital tend to have more of an all-inclusive outward focus which stretches across social divides to unite people (Putnam, 2000:22-23).

The second broad field of literature is concerned with the particular type of organisation under investigation, namely FBOs. The particular FBO within this study is a Christian organisation that functions in a secular context. Norris and Inglehart (2005:180) examine the consequences that processes of secularisation have on participation in FBOs, civic networks and social capital in post-industrial societies. Despite Putnam’s conception of FBOs, he acknowledges that historically, religious organisations have been instrumental in American civic society. He notes that “faith communities in which people worship together are arguably the single most important repository of social capital in America” (Putnam, 2000:66). Lockhart (2005:47) compares the development of social capital in both FBO and secular poverty-to-work programmes, finding that FBOs tend to promote holistic relationships which exist

beyond the programmes. Bartkowski and Regis comment that FBO social service programmes are covenantal or binding in that they emphasise mutual commitments and responsibilities within communities and they maintain that covenanted relationships within religious groups tend to be exclusive as they reinforce social barriers pertaining to race and class (cited in Lockhart 2005:48).

There has been a proliferation of literature on the third area, that of poverty alleviation. Habib contends that the seriousness of the poverty situation in South Africa has prompted the expansion of space for the emergence of CSOs that are focusing on development issues, particularly poverty-related issues (cited in Icheku, 2007:52). Poverty and economic development are two critical areas of concern in South Africa. Fournier (2002:9) acknowledges that social capital can assist social and economic development, but in order to achieve this, it is necessary for the poor to be given a voice. Similarly, Oyen (2002:11,14) cautions that it is critical to recognise that the poor do not have the same capabilities or networks as the non-poor. She argues that the poor are unable to create their own networks for the expansion of social capital on a broader scale.

There are two key factors driving this research. Firstly, this study offers a different approach to the plethora of literatures that exist on each of the above three areas. It will create an intersection between all three literatures to bring them into conversation with one another. Secondly, the study will provide insight into a poverty alleviation programme that may offer a “best practice” to the state’s current efforts. The FBO’s poverty alleviation programme may be the solution to reducing poverty in South Africa. But it may also prove to be having negative effects on those who can least afford to be affected.

The research problem

This study is concerned with two broad issues: firstly, if and how an FBO’s poverty alleviation programme creates social capital, and secondly, if the social capital produced by this FBO has adverse consequences for the poor.

With regards to the first issue: Putnam defines social capital as “features of social organisation such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit” (Putnam, 1994:6-7). This study will examine if and how an FBO creates social capital. Moreover, it will ascertain the type of social capital produced. Putnam cautions that different forms of social capital may have different consequences: for example, bonding social capital may precipitate “strong out-group” antagonism (Putnam, 2000:23). This study will explore the “bridging”/“bonding” dynamic within the FBO in question.

In terms of the second issue, Putnam draws connections between the potential role that FBOs may play in terms of social capital formation and the types of social capital produced by FBOs. For instance, Putnam quotes Roof who notes that “growing churches and synagogues” are generally by nature or character exclusive, thus they are able to create social and religious barriers and boundaries (Putnam, 2000:77). Putnam implies that FBOs are inclined to produce exclusive bonding forms of social capital. This study is concerned with investigating whether the social capital produced by this FBO does in fact have negative consequences. For instance, does the FBO bond or bind the poor? Does it serve to exclude the marginalised, the people who fall through the gaps, by promoting faith, or does it serve to include the marginalised and the masses?

Framework and methodology

In an attempt to address the two broad questions above, this study draws on Putnam’s framework of social capital and uses a variety of research methods.

Social capital has emerged as both an analytical concept and a policy tool. Analytically, researchers have endeavoured to test whether social capital fosters economic development and accounts for successful poverty alleviation projects. As a policy tool, social capital proponents have encouraged development planners to adopt social capital formation strategies. This study will utilise social capital theory as an analytical tool in an attempt to examine one FBO’s use of poverty alleviation programmes (that may bear some resemblance to a social capital formation strategy).

Putnam's theory of social capital suggests that as people connect with each other more, so their mutual trust will increase. They will then find themselves, both individually and collectively, in a better situation because of the strong collective element of social capital. Moreover, due to the connections between individuals constituting the social and economic system, the functioning of both systems will also improve (Gittell and Vidal, 1998:15). Lockhart (2005:49) draws on bridging and bonding categories of social capital advanced by Putnam. Lockhart operationalises bridging social capital "by noting the mixture of racial, ethnic, class or gender differences found in relationships". In order to study the types of social capital produced by the FBO's programmes, as well as the norms and relationships that are promoted, this study will employ Lockhart's operationalisation of bridging social capital but will develop its own operationalisation of bonding social capital. It will note the common values or norms of relationships advanced and stressed in the relationships created by the FBO's programmes, and the extent to which the FBO promotes these common values.

In accordance with Putnam and Lockhart's conceptions, this study attempts to ascertain and understand if and how an FBO forms social capital, the type of social capital produced, and the effects of that social capital. These questions will be addressed through an empirical study that uses primary data in the form of a case study of an FBO. The case study method provides a useful tool. It allows for the analysis of the FBO's purpose, policies, programmes and procedures. With regards to the actual case study, the sample and unit of analysis is ACAT, a Christian FBO, that operates a poverty alleviation programme in KZN - one of the hardest hit provinces with regards to poverty.

Putnam's theory of social capital and Lockhart's contributions are critical in terms of directing this study. The study uses qualitative data to determine if and how the FBO creates social capital, what forms of social capital it produces, as well as the effects thereof. Primary data is also gathered during face-to-face interviews and from existing data in the form of documentation on the FBO.

Problems encountered

Difficulties arose at the very beginning of the study when I attempted to gain access to the FBO and its programmes. The FBO's gatekeepers were reluctant to allow an outsider to conduct this study. After much deliberation, the FBO's leadership permitted the study to commence and I was granted access to the organisation and its staff members. This access was limited to six, once-off interviews. But this was sufficient to gather the necessary information to draw up an account of the workings of the FBO, its programmes and operations.

The key challenge confronting this study was a lack of empirical data pertaining to the actual communities in which the FBO operates. For a number of reasons, including language constraints and issues of inaccessibility, I was not able to access the programme participants. The information on the organisation, its programmes and processes stemmed from interviews with the FBO's staff and associates, as well as from texts published by the FBO. This dissertation represents my attempt to represent the world of the FBO through its own discourse as mediated by an "outsider" with a social science training and partial access.

Chapter outline

In presenting the findings of this research endeavour, this dissertation begins by situating this study within the current socio-economic context of South Africa. Chapter two paints a picture of the poverty situation in South Africa. It then looks at government's inappropriate and ineffective responses, and the increase in civil society organisations, in particular FBOs, attempting to address the development deficit. It then refers specifically to the presence of a number of FBO development efforts in KZN.

Chapter three details the conceptual foundation which guides the structure and analysis components of this study. It provides a comprehensive survey of the three main bodies of literature informing this research. It also constructs an intersection between the areas of social capital, FBOs and poverty alleviation. This chapter outlines Putnam's theory as a framework for understanding what constitutes social

capital, its different types as well as its effects, in order to employ these concepts and categories for analysis in later chapters.

Chapter four identifies ACAT as the single case study. It also outlines the other methods employed during this study and specifically identifies the interview sample as the key informants from ACAT.

Chapter five provides introductory information pertaining to ACAT. It offers a brief history of ACAT and in so doing looks at the context in which the FBO was founded. It also illustrates the geographic locations and socio-economic contexts in which ACAT operates.

Chapter six presents the case study of ACAT and its poverty alleviation programme. It examines the findings in relation to Putnam's theory of social capital as discussed in chapter three. It attempts to ascertain the type of social capital produced by this FBO as well as the impact that this social capital may have on the poor. It examines whether ACAT's programme could provide the answer to poverty alleviation in South Africa.

In chapter seven, conclusions are drawn based on the key findings presented in chapter six and a summary of the study and its findings is provided. This final chapter re-examines whether or not ACAT provides an appropriate strategy for alleviating poverty in the South African context. It also concludes whether or not ACAT successfully challenges Putnam's interpretation of FBOs.

Chapter Two: The current socio-economic context of South Africa and the presence of FBO development initiatives

Introduction

The new South Africa has witnessed a marked increase in poverty since 1994 while its hopes to erase inequality have been dashed as the gap between the rich and the poor becomes more pronounced (MacFarlane, 2005:1). On the one hand, employed South Africans have experienced increased gains, while on the other hand, unemployed South Africans have suffered serious losses (MacFarlane, 2005:1). In the face of surprisingly steady economic growth, levels of income poverty grew in the latter part of the 1990s before experiencing a slight and short-lived decrease in the early part of the 2000s which has subsequently been muted and reversed (Seekings, 2007:1).

Measuring poverty

Poverty is a widely contested concept, particularly in South Africa. As Laderchi *et al* (2006:10) so aptly put it: “there is now worldwide agreement on poverty reduction as an overriding goal of development policy but not on the definition of poverty”. Thus it is difficult to agree upon a definition of poverty. Poverty is even more contested in South Africa due to the government’s failure to adhere to the 1995 World Summit on Social Development’s Copenhagen Declaration which requires all countries, including South Africa, adopt an official measure of poverty (Studies in Poverty and Inequality Institute (SPII), 2007:6). As a consequence there is increasing confusion surrounding the appropriate means of measuring poverty for South Africa.

For the purpose of this study, the most commonly used measure and accompanying definition of poverty will be employed: namely the monetary approach which associates poverty with a shortfall or deficit in terms of consumption or incomes from a specific poverty line (Laderchi *et al*, 2006:10).¹ When calculating the various components of income and consumption, practitioners take into account market

¹ This may not be considered the most appropriate measure of poverty for a study of social capital, however, at the time of writing it was deemed to be the most commonly used measure of poverty.

prices. This involves the identification of particular markets and the inclusion of monetary values for items that do not derive their value from the market, for example, subsistence production, social services and public goods (Laderchi *et al*, 2006:10). Practitioners, who adopt a monetary approach to poverty, refer to poverty as “income poverty” (Chambers, 2006:3).

In accordance with income poverty measures and the World Bank’s poverty line measurement of US\$1 per day, the South African Institute of Race Relations (SAIRR) calculated that the national poverty line in 2005 stood at R214 per month. Therefore people who live off less than R214 per month are classified as living in poverty (MacFarlane, 2005:1). On the basis of this data the SAIRR reported that 23.5 million South Africans live in poverty (CDE, 2008:6).

The reality

The number of South Africans that fall beneath the poverty line has risen from 17 million in 1996 to 23.5 million in 2005 - in a country of 47 million people (CDE, 2008:6; *SouthAfrica.info*, 2008). This alarming figure denotes that approximately half of South Africa’s population is living in poverty. Since the establishment of the new South Africa in 1994, the economy has generated three million jobs, thus decreasing the official number of people unemployed from 30% in 2002 to a figure of 25.5% in 2006 (CDE, 2008:6). The importance of this reduction is, however, called into question in the face of the absolute numbers of unemployed South Africans. From 1995 to 2006 this figure was calculated to have “more than doubled” (CDE, 2008:6). In addition, one should be cautious of calling on the official unemployment rate when looking for unemployment figures as the official figure fails to include “discouraged job seekers” (CDE, 2008:6). When this group of people is included, the unemployment rate is increased to a figure of 40%, thus qualifying South Africa as having one of the highest noted unemployment rates in the world (CDE, 2008:6). Moreover, income inequality has become more pronounced as the Gini Coefficient, an indicator of inequality, rose from 0.53 in 1996 to 0.64 in 2005 (CDE, 2008:6).

In recent years South Africa has experienced steady growth in terms of its Gross Domestic Product (GDP). Large amounts of the state’s fiscal resources have been

directed towards the subsidisation of housing, as well as other state-related services that have been established for the poor including the implementation of a number of welfare grants. Yet, while the introduction of these measures was able to slow the rapid pace of the expansion of poverty at the beginning of 2000, the current soon changed direction and the tide of poverty once again began to rise thus ensuring that the levels of poverty not only remained high but continued to grow.

As poverty levels increase those features that define South Africa's poverty situation become more pronounced. Studies have indicated that living standards in South Africa tend to be linked to race. The large majority of the poor are black South Africans (Roberts, 2005:486). With regards to spatial dimensions, there is an incredibly high incidence of poverty in rural areas when compared to the levels of poverty in urban areas (Roberts, 2005:486). According to Shackleton (2006:1) approximately 70% of rural households can be categorised as being poor. 18-24% of those rural households are classified as being chronically poor. With regards to unemployment, the rate of unemployment appears to be much higher amongst women than amongst men. This is reflected in the 60% rate of unemployment amongst rural female-headed households - a figure that is double the rate of unemployment amongst rural male-headed households (Shackleton, 2006:1).

There is also a significant variation among incidences of poverty across South Africa's nine provinces. The apartheid era's spatial, racial engineering has endowed the new South Africa with a legacy of a racial poverty dimension that correlates closely with the country's spatial poverty features (Roberts, 2005:487). Those provinces encompassing areas formerly known as homelands or Bantustans tend to exhibit higher levels of poverty. Levels of poverty are particularly high in the province of KZN which, despite being the third poorest province in South Africa, has the largest poverty gap in the country (R18 billion/\$1.8 billion) (Day and Matisonn, 2009:2). KZN comprises eleven district municipalities. Ethekwini, the only "metropolitan" municipality in KZN (and one of only six in the country), has the lowest poverty rate at 24.6% and is the only region in the province with a poverty rate estimate below the national average. The rest of the regions all have poverty estimates ranging from 51% for Umgungundlovu to 80% for Umzinyathi. 61.2% of rural households are without electricity while only 35.2% of all households have a tap

within their dwelling, and 52.3% have no flushing or chemical toilet (Day and Matisonn, 2009:2). The presence of these high poverty levels and unemployment figures begs two crucial questions: firstly, “how is the government attempting to alleviate poverty?” and secondly, “why is the government not succeeding in alleviating poverty?”

State efforts: post 1994 anti-poverty policy

With regards to the first question, the South African government has publicly acknowledged that poverty alleviation is one of its main target areas. Goals to reduce poverty and social inequality were included in the new South African government’s 1994 Reconstruction and Development Programme (RDP). The RDP consisted of four key building blocks: building the economy, meeting basic needs, developing human resources and democratising the state which formed the basis of the new government’s strategy to deal with poverty and inequality (Roberts, 2005:480). Government departments were given the task of reducing poverty, as directed by policy frameworks, specifically through the implementation of increased service delivery to the poor (Roberts, 2005:480).

Since 1994 public spending on the poor has appeared in two main forms: mainstream social expenditure and separate, specialised poverty relief funds (Roberts, 2005:480). In the implementation of state-driven programmes of development that are focused on poverty alleviation, the African National Congress (ANC) government designed a “fairly orthodox neo-liberal macro economic policy package” (Roberts, 2005:481). In 1996 the ANC-led government implemented a new strategy, in the form of the Growth, Employment and Redistribution strategy (GEAR). This new approach differed greatly from the development spirit advanced by the RDP. GEAR incorporated strict instruments to ensure fiscal discipline as a way in which to try to prevent negative growth and instead stimulate and encourage economic growth (Roberts, 2005:481). The government’s move to precipitate economic growth as a means with which to reduce unemployment levels and to achieve equality in terms of distribution of income and wealth soon came under critical fire. During the course of 1997, it emerged that the state departments were not capable of restructuring their budgets in order to address the challenges and issues pertaining to development

(Roberts, 2005:481). In addition, there was growing recognition that it was possible that the market liberalisation path chosen by the state could have a disproportionate or negative effect on poor South Africans. And moreover, it became apparent that GEAR was seriously impeding the expansion and advancement of the redistributive programmes in place. In an attempt to address the increasing social deficit, the National Treasury established the second form of public spending on the poor, the Poverty Alleviation Fund, during the course of the 1997-98 financial year (Roberts, 2005:481). In short, the fund was a short term intervention firstly, to provide departments with necessary funds to carry out roles and functions that were generally not assigned to that department and secondly, to help departments speed up the process of re-orientating and structuring services to the poor (Roberts, 2005:481-2).

At the ANC's 50th national conference in 1997 the party reaffirmed that poverty was the "single greatest burden" facing the South African people (Roberts, 2005:482). The South African Cabinet commissioned researchers to produce a comprehensive profile of poverty and inequality in an attempt to fill any gaps in the information on South Africa's poor (Roberts, 2005:482). The resulting Poverty and Inequality Report (PIR) was also expected to evaluate the post apartheid anti-poverty policy attempts to address this situation. The report concluded that some progress had been made but, as a result of low levels of investment, employment and growth, this had not been enough to satisfy the expectations of the poor and policy makers (Roberts, 2005:482). There was still a great deal of concern that the policies were not incorporated into a comprehensive, logical poverty reduction framework which identified priority areas and directed the implementation of the policies (Roberts, 2005:482).

In the face of increasing criticism, the ANC reiterated "the central challenge remains the eradication of poverty and inequality through economic growth and development, job creation and social equity" (Roberts, 2005:483). Yet, while the government has publicly recognised the presence of low levels of economic growth, wide-scale poverty and increasing unemployment, it continues to assert that the "right policies", which incorporate GEAR, have been implemented (Roberts, 2005:483). In line with this assertion, the suggested strategy for South Africa's social transformation is centred on increasing and expanding the implementation of social security, free basic services, an expanded public works programme and an integrated food security

programme, all in conjunction with the expansion of financial resources and government capabilities and capacities (Roberts, 2005:483). The presence of these policies and strategies prompts the second question raised above - if the government has gone to all this trouble to implement anti-poverty policies then why has the poverty situation not been adequately addressed? Why is the government not succeeding in alleviating poverty?

Unsuitable responses for an unequal economic landscape

The government's failure to define poverty properly is the first of many unsuitable or inappropriate actions and decisions pertaining to poverty. As Everett explains, "the failure to define poverty is not an academic matter: it directly impacts on delivery. If poverty is undefined, programmes lack focus: it is not clear why this or that service is being provided, or to whom, or where and measuring progress and impact becomes near impossible" (Cited by Meth, 2006:388). Apart from this particular omission, pro-poor interventions, labour market reforms, neoliberal policy approaches and unsubstantiated policy frameworks, which are ill-suited to the alleviation of poverty in South Africa, have been introduced with little effect.

The somewhat muted reduction in income poverty during the early part of 2000 has been identified as a result of the roll-out and advancement of social assistance in the form of non-contributory programmes, such as state pensions, which are funded by taxes. Van der Berg's analysis of fiscal incidence and the government expenditure on education, health, housing and social assistance, indicates that the percentage of social spending that is going to the poorest household income when compared to the percentage of social expenditure going to the richest household income quintile has increased since 1993 (Seekings, 2007:21).

This fiscal incidence analysis approach, however, appears to be flawed. It goes to great lengths to identify government expenditure target areas in terms of different quintiles of the population yet it fails to assess the real value that the poor derive from this spending (Seekings, 2007:22). The South African government's expenditure seems to be pro-poor because the government is responsible for paying salaries to those teachers, who are employed in schools in poorer areas, as well as to those

doctors and nurses, who work in public clinics and hospitals (Seekings, 2007:22). While state expenditure on health care may prove to be an effective manner in which to help the poor, the advantages and effectiveness of the significant expenditure allocated to teachers' salaries are less discernable (Seekings, 2007:22). The quality of education is not only, but particularly, rural areas is seriously poor, while the relationship between state spending on schools and the level of education is difficult to ascertain. Seekings (2007:22) quite rightly ventures to add that one should rename "pro-poor" spending on education "pro-teaching" expenditure. Not all pro-poor state expenditure interventions are suitably structured so as to ensure that the poor, and not state employees, derive value from these programmes.

The problematic pro-poor interventions are by no means solely to blame for the government's failure to reduce poverty in South Africa. The overarching economic growth path, which is capital and skills intensive, is also largely responsible for the progression of South Africa's poverty situation (Seekings, 2007:23). The country continues to follow a similar growth path to that of the previous apartheid dispensation - one that perpetuates poverty in the midst of wide-scale unemployment particularly amongst the less skilled quintile of the population. While the current global climate does to some extent promote what has been termed "inegalitarian patterns of economic growth" one should hasten to add that government public policy prescriptions are also to blame (Seekings, 2007:23).

Those policies and institutions, which are concerned with the regulation of wages and working conditions and situations, determine an economy's course. During the latter half of the 1990's the South African government proudly heralded the birth of its "new" labour legislation. Despite these proclamations the Labour Relations Act of 1995 and the Basic Conditions of Employment Act merely served to expand and bolster the prevailing legalisation, which had been established in the 1920's to safeguard those skilled and semi skilled white workers who belonged to unions, to include the respective black African workers (Seekings, 2007:23). This legislative attempt to deracialise labour structures, which served to promote and safeguard benefits enjoyed by white workers, merely extended this banner to include the elite blacks (Seekings, 2007:23). This succeeded in altering the boundaries dividing those people who had previously been considered to be "insiders and outsiders" within the

workplace to a new position whereby the boundary now stands between all the formally employed people, who are considered to be the insiders, and all the unemployed or casual workers as well as those people who are informally unemployed, who are the excluded outsiders (Seekings, 2007:24). Moreover, those policies and institutions which determine salaries and shape working situations or contexts, tend to advance a growth path that is typically capital intensive and again according to Seekings “relatively jobless” (Seekings, 2007:24). These policies and institutions tend to drive up the cost of labour, particularly unskilled labour, and encourage employers to use capital instead of labour and skilled labour as opposed to unskilled (Seekings, 2007:24).

In addition, labour market policy has two possibly very negative influences on the demand for unskilled labour. Firstly, the presence of extensive processes and arduous regulations involved in labour relations means that employers incur enormous expenses when they choose to dismiss labour (Seekings, 2007:24). The second potentially negative consequence is related to wage determination. Salaries and wages are generally discussed and set at central, sector-based Bargaining Councils. This can prove problematic as the bigger, capital intensive firms and trade unions, which are both concerned with fixing wages at very high levels to squelch competition from smaller firms that are not as capital intensive, tend to dominate and control the Bargaining Councils (Seekings, 2007:24).

It is difficult to ascertain the precise advantages and benefits enjoyed by the employed insiders to the detriment of the unemployed outsiders. Yet the so-called substantiating evidence which the advocates of the current labour market policies draw on in order to protect and uphold these policies is not as convincing as these advocates would like them to be (Seekings, 2007:25). However, the evidence that is supposed to suggest that these policies have negative consequences in terms of the creation of jobs is also not exactly irrefutable (Seekings, 2007:25). In spite of this paradox, South Africa’s unemployment figures bear testament to the fact that the government has got the “mix wrong”. The government’s failure to make adequate reforms translates into a situation whereby South Africa is left with dated, ill-suited policies which serve to exacerbate, not alleviate, poverty.

Habib (2005:7) makes an important contribution to this study's analysis of the appropriateness of government policies when critiquing South Africa's neoliberal policies. The ANC has adopted neoliberal economic policies in the form of the liberalisation of financial and trade markets, the deregularisation of the economy and the privatisation of state assets, which have had a number of negative effects (Habib, 2005:7). The government has also conceded that its macroeconomic policies have not lived up to its expectations. For instance, these policies were expected to entice foreign investments into South Africa, the results of which have not been as forthcoming as the government had hoped (Habib, 2005:7).

The situation in South Africa is further aggravated by the introduction of rather lax foreign exchange controls which have provided South African businesses and individuals with the opportunity to export capital – leading to a flood of capital out of the country. Consequently, currency markets have been increasingly unstable and volatile. Furthermore, the success of the state's privatisation programme has been negligible as there has been very little capital generation (Habib, 2005:7).

Neoliberal policies have merely succeeded in realising the state's deficit targets at the large expense of unemployment, poverty, and inequality. There have been large-scale job losses across most sectors of South Africa's economy. Fiscal restrictions have been significantly tightened to the detriment of the government's poverty alleviation and development programmes (Habib, 2005:8). While state officials maintain that a number of the RDP goals were achieved, with regards to water, sanitation, telephones and electricity, these achievements do not ring true. Independent research conducted by McDonald and Pape has shown that there have been an estimated 10 million water and electricity disconnections due to the failure (or incapability) on the part of households to pay for these services (Habib, 2005:8). Other equally reputable studies have reported substantial increases in poverty and inequality. They maintain that people in the upper echelons of race groups have reaped the benefits of economic liberalisation, particularly black elites who are benefiting from the new affirmative action policies and black economic empowerment initiatives (Habib, 2005:8). Yet millions of South Africans from poor and low-income families have suffered at the hands of the state's GEAR programme.

Not only is the content of the policies and the current economic path unsuitable for the poverty situation in South Africa but the manner in which the policies are devised, produced and implemented is also problematic. The state's current policy prescriptions favour large, ambitious state-driven employment and development programmes that are implemented on a wide-scale in a top-down manner (CDE, 2008:7). Due to a number of contributing factors, such as skills shortages, the state's capacity to implement programmes is not able to keep up with the competitive economy, which is driven largely by private sector growth (CDE, 2008:7). As a consequence of skills shortages, for instance, there is a serious deficiency of capable and competent programme managers who could be given the task of implementing and managing these large state development programmes (CDE, 2008:7). Educational and training institutes' levels of performance are currently far below that of not only international standards but they are also below par with regards to the level required for the transformation and achievement of the equilibrium of formal skills and training. Thus the present and medium term forecast paints a bleak picture of a trend characterised by "upwardly biased development" that is becoming increasingly entrenched as the economic elites, the black and white middle classes and the skilled or blue collared unionised classes will continue to maintain a significantly higher material level when compared to the less fortunate half of the country's people (CDE, 2008:7).

The government's penchant for these large, top-down development programmes has meant that it has not been particularly successful in the area of developing grassroots initiatives. It is therefore highly unlikely that effective government grassroots development initiatives will be implemented in South Africa (CDE, 2008:7,9). The CDE (2008:9) argues that it appears to be up to the poor communities themselves to foster and encourage self help and development within their own communities, otherwise they will continue to fall further and further behind the better half of South Africa. Hence the gap between the rich and the poor will continue to grow (CDE, 2008:9).

It is not surprising that the South African government's policies do not suit the country's current economic situation, as its policy-making procedures do not entail the collection of sufficient evidence and data on which to base the policies. In order to

alleviate poverty through the use of appropriate, suitably designed and structured sets of reforms, as promised by the ANC government during the run up to the 2004 general elections, it would be necessary to develop a comprehensive, evidence-based and logically substantiated policy package (Roberts, 2005:503). The government's ability to improve the poverty situation in South Africa rests on its continuous evaluation of the country's economic and social situation, which includes poverty. Policy-making processes in South Africa, however, are not as Roberts puts it, "firmly based on such a nuanced understanding of social dynamics" (Roberts, 2005:503). The various government departments have in fact established monitoring systems to assist them to gather information pertaining to the effects of policies and programmes. Nevertheless, there is an absence of an entrenched culture or habit of evidence-based policy making in which discussions and decisions pertaining to policy and programme reforms are founded on empirical evidence that highlights the effects that the policy or programme may have on the specific target groups (Roberts, 2005:503). This has become apparent in relation to the monitoring of poverty at the national aggregate level. The PIR, for instance, did express concern regarding the lack of effective systems with which to monitor and evaluate the delivery of programmes in South Africa. It suggested that, "a system and procedures for monitoring the impact of government policy on poverty and inequality be established as a matter of priority" (Roberts, 2005:503). Yet over a decade later an organised poverty monitoring system has yet to be effectively implemented. If the state fails to deal with this issue, policies will be unable to respond to and adapt to the needs of South Africa's poor (Roberts, 2005:504). Thus policies will continue to be unsuitably structured and insufficiently researched and as a result the poor will remain poor.

In light of the above review of South Africa's current economic path and the government's policy prescriptions, this paper argues that the government has chosen the wrong path and the wrong policies for a country which has such a high incidence of poverty. The South African government has adopted a variety of tools ranging from social security, education, health care, infrastructure and housing, as well as land reforms, to drawing on both domestic and global markets. Yet, as Roberts so aptly puts it, despite these efforts "the fit between anti-poverty programmes and policies and the circumstances, needs and different categories of the poor is an area where improvement is required" (Roberts, 2005:502). The state is essentially trying to force

the square pegs of its inappropriate policy prescriptions into the round holes of poverty that are getting bigger and bigger.

In the face of the current socio-economic situation and the lack of appropriate policy approaches two interesting points emerge. Firstly, it is not likely that South Africa's current economic growth path will undergo any substantial changes in terms of the distribution of its socio-economic benefits. Secondly, it is highly unlikely that South Africa will see the introduction of effective government-initiated grassroots development projects (CDE, 2008:9). In light of these two assertions the CDE maintains that efforts should be made to explore and engage the poorer communities and emerging classes in an attempt to ascertain whether there are any bottom-up initiatives or grass roots activities that could be promoted and expanded (CDE, 2008:9). And one does not need to look too far, as it is becoming increasingly apparent that the escalating poverty levels and the lack of appropriate state-driven poverty alleviation programmes, both at top and grass roots level, has resulted in a rising number of attempts on the part of civil society organisations to address South Africa's development deficit. One branch of civil society in the form of FBOs, which have historically played a prominent role with regards to South Africa's socio-economic and even political situations, is becoming more and more preoccupied with addressing the needs of South Africa's poor. FBOs have been increasingly functioning to provide services and assistance to the poor, which the government is failing or omitting to deliver. One recent example has been the mobilisation of FBOs in an attempt to assist victims of the 2008 Xenophobia crisis (Read, 2008:1,13). FBOs worked together to provide relief in the form of resources such as food, blankets and shelter as well as support and counsel for thousand of victims of Xenophobia - a function which should have been fulfilled by the state but was driven and managed instead by FBOs.

FBOs and poverty alleviation: the Church and FBOs in the South African context

According to Kearney FBOs are "organisations which start from the base of faith in the way they relate to the world". He maintains that FBOs "see their faith as integrally involved in social issues and issues of justice and think that their kind of reason for

enlisting ...is very much influenced by their faith” and they feel “that their faith has an important contribution to make” (Kearney, 2008:7). An increasing number of FBOs are regarding the poverty situation in South Africa as a social issue which they feel they should address due to the government’s failure to do so. Moreover, churches and other FBOs are increasingly being expected to adopt a welfare-type role. In many areas, local government has demonstrated that it is unable to satisfy basic social and infrastructure needs, resulting in widespread frustration as well as a decline in confidence levels where the government’s ability to deliver is concerned. The current governance crisis and poor service delivery, particularly at a local level, have been cited as reasons for the rising expectations being placed on faith-based structures to provide assistance (Swart, 2009:75). Some commentators argue that this should not be surprising because, regardless of the state’s actions, the faith component is indispensable to development (Van der Linde, 2008:38). Others maintain that it has always been FBOs’ “mission to work and go” where the state does not want to go (Gneis, 2008:23).

The argument that FBOs are fulfilling state functions with regard to poverty alleviation, an area in which the state’s attempts have been unsuitable and unsuccessful, is gaining momentum (Ngema, 2008:18; Read, 2008:14). FBOs, particularly churches, tend to be well positioned in communities. Within South Africa, religious communities are said to have the “largest developed networks” and are “trusted by 80% of the population” (Fokas, 2009:141). Faith-based bodies are often much closer to the people than the state or politicians, not only in rich urban areas but especially in poor rural areas. FBOs may be present in places where the state or its representatives have never ventured (Sibanda, 2008:9; Kearney, 2008:23). Often these faith-based structures play the most important roles in the community in terms of assisting the poor and needy.

Several private foundations and official development agencies have become increasingly interested in the relationship between FBOs, including faith-based communities/institutions, and development, and have subsequently initiated research projects and studies focusing on this. (Maharaj *et al*, 2008:81). Moreover, a number of South Africa’s political elites have also begun taking this relationship and its (positive) implications into consideration. Former President Thabo Mbeki, for

instance, created a multi-faith leadership forum, the purpose of which was to provide advice to the presidential office regarding development matters (Maharaj *et al*, 2008:81).

According to Erasmus *et al* (2009:8), “in South Africa religion as a social institution and its formal organisations are central to the process of social development”. This is evident at a local level: operating in the form of grassroots organisations, churches have been orientating and preparing themselves to address challenges and issues confronting the communities in which they are based. Not only have churches been creating organisations on a regional and national basis in order to better orientate themselves to address these challenges, but they have also been reassessing their relationships with key role players including government and business (Erasmus *et al*, 2009:8).

In South Africa, the close relationship between the Christian Church, in particular, and social welfare is not new. The Church has been a visible role player in terms of providing social welfare services since the arrival of the first colonists in South Africa in the mid 17th century, when social relief projects in the name of the Church were established (Erasmus *et al*, 2009:16). South Africa has been noted as having “a long history of missionary activity up to the 1960’s, which saw Christians formally involved in education, health care, agriculture and nutrition, vocational skills training, small business development and leadership formations” (De Gruchy and Ellis, 2008:11). The Church was said to be making efforts to prepare black Christians to constructively engage and participate in society. Furthermore, during the 1930’s and 40’s, the white Dutch Reformed Church was preoccupied with the “poor white problem” (De Gruchy and Ellis, 2008:11). Due to economic and environmental issues, there was a rapid movement of poor white South Africans, who were illiterate and unskilled, to urban areas. The Dutch Reformed Church made great efforts to address the social and development challenges facing its members. The racist ideology which permeated the Church meant that membership was restricted to the white population and thus the Church did not attempt to assist “all God’s people” (De Gruchy and Ellis, 2008:12). Yet, despite the racist nature of this development initiative and its implications, these efforts represent social, economic and cultural development activities on the part of the Church in South Africa (De Gruchy and Ellis, 2008:12).

With the advent of the new South Africa, the Church and its leaders found themselves in what de Gruchy and Ellis (2008:9) term “another country” where the political intricacies of apartheid had dissipated. By “the Church”, one is referring to the mainstream Christian churches in South Africa such as the Anglican, Methodist and Catholic Churches, and not the Dutch Reformed Church (DRC) which enjoyed a close relationship with the apartheid state. The Church and its leaders had been so intensely focused on the struggle against the apartheid regime and the issues of race and racism that it was not prepared to address the new socio-economic and cultural issues facing the new South Africa (De Gruchy and Ellis, 2008:9). In one of his earlier works de Gruchy highlighted that there was a need to move from a “resistance” based approach to one of “assistance”.² De Gruchy and Ellis assert that Christian leaders should view the previous experiences with development mentioned above as resources which they can draw on when attempting to reflect on and engage with the current development agenda (2008:14). They maintain that this agenda requires ethical and theological reflection and seek to achieve this with the assistance of a group of leaders, scholars, theologians and practitioners.³

Pettersson and Middlemiss (2009:113) assert that churches are able to alter their function as a social agent according to changes and events within local, national and global contexts. Looking back at the role of the Christian Church in South Africa, this ability is apparent. Up until the 1960’s the Church had busied itself with missionary activities, but as the need for resistance to the apartheid regime grew, the Church adapted its role to support this cause. Once again, following the end of the apartheid era, the Church found itself in a new context with a new set of needs. Pettersson and Middlemiss (2009:113) make the observation that in general, churches, in their position as social agents, appear to be integrating themselves in the so-called “voluntary sector” as they attempt to ascertain their new identity and place among NGOs. A recent study by Swilling and Russell supports this observation with their discovery that the religious organisations that deliver services to communities make up 16% of all Non-Profit Organisations in South Africa (Erasmus, 2009:42).

² See de Gruchy, S. 2003 as cited by de Gruchy and Ellis (2008:11)

³ See de Gruchy, S., Koopman, N. Strijbos, S. (Eds). 2008. *From our side: Emerging perspectives on development and ethics*. Amsterdam: Rozenberg Publishers.

There is an abundance of international literature on religion and social welfare which has found that more and more, societies as well as individuals are looking to churches and other FBOs, to address local communities' welfare needs (Swart, 2009:74). In South Africa, not only are churches being perceived as welfare agents but there are also rising expectations of churches as welfare providers (Erasmus, 2009:41; Swart, 2009: 74). At a national level, influential role players within the South African religious sector, as well as the National Religious Association for Social Development (NRASD) and the National Religious Leader's Forum (NRLF), have promoted a rationale for a religion-state partnership with regard to the area of social welfare. This has led to an increased interest on the part of government in the potential role that churches and the religious sector could adopt in terms of service delivery (Swart, 2009:76). Proponents of this new partnership argue that a public-private partnership is the answer to "effective social service delivery and the combating of poverty in South Africa" (Swart, 2009:76) thus implying that local churches as well as other FBOs in effect should be regarded as the government's most important partners due to their position in relation to those in need and their existing networks, infrastructure and services. In addition, it has been argued that their faith-based character would contribute to the creation of social capital which is deemed to be crucial for the establishment of communities that are caring and supportive of one another. This is a feature which stems from the numerous support groups found within local communities where congregations and other FBOs attempt to help those in need and rally their members to provide services that will benefit the community at large (Swart, 2009:76). The NRASD and NRLF's endeavours to further their partnership position resulted in the signing of a Memorandum of Understanding between the government and the NRLF, which represented the country's religious sector, on the 10 May 2005. This memorandum made provision for a process whereby:

- "substantial funding can be channelled to the religious sector;
- the 'principal of subsidiarity' can take its course whereby the religious sector takes formal responsibility for key strategic and operational areas;
- social programmes and projects can be implemented by the religious sector;

- religious communities can submit a first round of proposals to the NRASD Management Unit for funding support; and
- further planning and capacity-building events can be initiated by the strategies actors in the religious sector” (Swart,2009:78).

In addition, within this agreement, the religious sector has identified five main areas in which it will make a particular effort and establish joint programmes within South Africa. These areas include “early childhood development, social housing, social cohesion, skills development (mainly Adult Basic Education and Training (ABET) literacy programmes) as well as community and home-based care” (Swart, 2009:78).

At present, within the sphere of social welfare, the government and, as a consequence, the general population has every right to assume and expect that the religious sector with the help of its networks and FBOs, can play an important role in terms of these fundamental social areas (Swart, 2009:79). This commitment is rooted in the belief that the religious sector’s efforts will satisfy the aims of social welfare or social development that has shaped the new South Africa’s national framework for social welfare delivery (Swart, 2009:79).

Swart does however raise the question of whether or not churches can actually meet the rising expectations placed upon them. Swart’s question is a pertinent one, particularly in light of Gouws’s (2009:61) findings that Christian churches’ poverty alleviation programmes demonstrate a “lack of an integrated strategy to deal with poverty and show the proclivity towards “charity” ”. Swart stands in agreement with Gouws. He begins by noting that there is little chance that churches in local areas could achieve the objectives set out by the NRLF and the government. Swart’s research demonstrates that it appears unlikely that churches will “think and act” in a manner which differs from its current engagement which is predominately relief and charity-based (Swart, 2009:92). Thus he maintains that on the basis of the Church’s “current performance”, this does not bode well in terms of satisfying the expectations identified by the NRLF (Swart, 2009:93).⁴

⁴ Erasmus, Swart and Gouws’s finding are based on results from a research project focusing on the role of Christian Churches in the context of South Africa – “Welfare and Religion in a Global Perspective” (WRIGP).

The South African welfare discourse is increasingly advocating a developmental and people-centred approach with regard to the concept and provision of welfare. Rather than establishing strategies for the distribution and allocation of basic necessities (for day-to-day living), arguments supporting the channelling of resources to grassroots development initiatives in an attempt to support and encourage local projects and self managing welfare provisions are becoming more popular (Pettersson and Middlemiss, 2009:118). This new tendency along with the Memorandum of Understanding does, however, provide an opportunity for churches, which would like to excel as service providers, to consider creating new FBO formations and changing the orientation of their services from being charity-based to being development-based (Swart, 2009:93).

In light of the observation that the church-led welfare initiatives need to be reassessed, it is important to note that Swart *et al* (2008:277) maintain that there is a new Christian movement emerging at a grassroots level in South Africa. This is said to be providing social and economic alternatives, in terms of both practical initiatives and ingenuity, to current market economic development. Whilst examining different FBO organisations within the George region, Swart *et al* noted that the activities of these organisations provide examples of this emerging movement which is purported to be fulfilling two objectives. It is using its expanding network and wide array of actors in an attempt to, not only redress social neglect stemming from the current economic system, but also to promote an awareness regarding the need for social and economic alternatives to the current reality (Swart *et al*, 2008:277). For example, researchers observed that these organisations are promoting a new culture of care and responsibility through different activities. These activities have also led to the creation of new opportunities for economic empowerment. Swart *et al* assert that this new movement presents “the best hope for social transformation in an era of seriously distorted market economic development”(2008:277).⁵

⁵ For an in depth exploration of this emerging movement see Swart, I., Van Niekerk, P., Thelejane, S., Louw, A., Nzuzo, N., Van der Merwe, J. and Buitendag, A. 2008. ‘Market Economic Development Local Economic Experience and the Christian Movement Towards Alternatives in a South African City Region’ in de Gruchy, S., Koopman, N. and Strijbos, S. (Eds) 2008. *From our side: Emerging perspectives on development and ethics*. Amsterdam: Rozenberg Publishers.

While the section above has focused largely on the Christian Church as a service provider and Christian FBOs, Maharaj *et al* look at a larger range of FBOs (other than but including Christian ones) and on these grounds maintain that there are FBOs which are focusing on poverty alleviation and development programmes that go beyond the realms of charity and relief.⁶ These FBOs, the new Christian movement and Church welfare initiatives highlight the active and extensive role that FBOs play in South Africa in terms of social welfare and development.

FBOs and poverty alleviation: KZN

Despite the creation of the Memorandum of Understanding and the growing expectations being placed on churches, there appears to be little evidence of what Fokas (2009:142) terms “systematic programmes” of church or FBO partnerships with the Department of Social Development in South Africa.⁷ And KZN is no exception. Indeed, the KZN provincial government has recognised the positive role religion in general can play in the development and upliftment of citizens. In his address in 2007 commemorating the martyrdom of a Zulu soldier (who was killed in 1877 because he had chosen to be baptised), the Premier of KZN, Mr. Sibusiso Ndebele expressed his conviction that “there is a lot that faith-based organisations, partnering with government can do to make the day-to-day lives of its congregants better” (Day and Matisonn, 2009:7). Ndebele emphasised the “major role” played by the faith-based community “in advancing development, peace, democracy and partnerships” in KZN, pointing to its “significant interventions in education”, the building of mission hostels and hospitals as well as access roads, the researching and publication of “crucial manuscripts on our culture and history”, and the facilitation of black participation in Science and Technology. He acknowledged that the Christian Church not only “openly sided with the liberation movement” but “sacrificed much in the struggle for liberation” (Day and Matisonn, 2009:7).

⁶ FBOs, for example, in the case of this study, ACAT and the FBOs which will be mentioned below.

⁷ These partnerships may well exist, however, they do not appear to be well documented. For more information on the feasibility of partnership-building approaches in terms of development in South Africa see Botes, L. and Abrahams, D. 2008. ‘Noka e Tlatwa ke Dinokana- A River Swells from Little Streams: Responsive Partnership-Building Approaches to Development’ in de Gruchy, S., Koopman, N. and Strijbos, S. 2008. *From our side: Emerging perspectives on development and ethics*. Amsterdam: Rozenberg Publishers.

What is interesting is that Ndebele perceives the role of the FBOs as one of “rekindling the values of higher morality in society” and of “preaching with the government to fight crime” (Day and Matisonn, 2009:7). There is no mention of their role in alleviating poverty or aiding with development projects. On the one hand, this is somewhat surprising given the particular influence of FBOs in KZN in terms of poverty alleviation programmes. In KZN one finds a range of FBO poverty alleviation initiatives including the Muslim-based Gift of the Givers, the Jewish-based Temple David Sisterhood’s Durban Mavela Project, as well as the Christian-based Africa Co-operative Action Trust’s (ACAT) Integrated Livelihoods Approach to name but a few.

The Gift of the Givers is a KZN, Muslim-based humanitarian FBO. Over the course of 16 years it has mobilised and distributed R280 million of aid to 23 countries including South Africa (Sooliman, 2008). According to the Chairman and Founder, Dr. Imtiaz Sooliman, this organisation provides unconditional, humanitarian assistance to those in need, regardless of their race, religion, class, political standing or geographical boundary (*Cape Times*, 2005; Sooliman, 2008). While this organisation is an FBO it does not disseminate religious material, nor does it provide funds to religious structures (Sooliman, 2008). It would therefore appear that the organisation is not attempting to proselytise through its work, yet its work is inspired by Islamic teachings. The Gift of the Givers has a variety of diverse outreach projects including disaster relief and rehabilitation, nutrition (including the delivery of food parcels), agricultural projects for sustainability, skills development, job creation and entrepreneurship (*Gift of the Givers*, 2008:1-2). Sooliman explains that “building bridges between people of different cultures and religions, instilling hope and dignity and creating opportunity are all an integral aspect of our philosophy” (Sooliman, 2008).

The Jewish community not only in the province of KZN but in South Africa at large has also embarked on a variety of different activities which have focused on addressing social-economic inequality (South African Board of Jewish Deputies (SABJD), 2007:ii). Teachings within the Jewish faith require that its followers contribute to the greater good of society. The “founding pillars” of the Jewish religion, namely, the Hebrew words *Tikkun Olam* (“fix the world”), and *Tzedakah*

(“to give charity”), have prompted the establishment of a number of Jewish FBO initiatives across KZN (SABJD, 2007:iii; Kluk, 2008:10). The Temple David Sisterhood’s Durban Mavela Project, for instance, encompasses a number of components such as the building of the Mavela Crèche, food deliveries to child-headed households, children’s transportation to schools, assisting in the creation of an Income Generating Centre, as well as plans to build a Baby Centre and Home-Based Care Hospice (South African Union for Progressive Judaism (SAUPJ), 2008). With regards to the Income Generating Centre, the Sisterhood contributed to the construction of a log cabin which will house the income generating projects that focus on capacity building as well as sustainability within the community. One such project focuses on sewing. Women from the community have begun sewing clothes for children living in the community. Efforts are being made to assist these women to secure a contract with the Department of Health (SAUPJ, 2008).⁸

ACAT provides an example of a Christian FBO poverty alleviation programme operating in rural KZN. At present ACAT has programmes located in 19 areas across KZN. Each area covers a radius of 30 km (ACAT, 2007a:3). Irrespective of colour or religious creed, poor people are encouraged to participate in ACAT’s poverty alleviation programme in the hope they will learn how to address their material and spiritual needs and in so doing “find the Lord” and convert to Christianity (Dedekind, 2008:17). ACAT’s poverty alleviation initiative, the Integrated Livelihoods Approach (ILA), endeavours to achieve this by focusing on the five areas of Healthy Living, Basic Business Practices, Home Food Security, HIV/Aids Awareness and Spiritual Development (ACAT, 2007a:3). The ILA’s mission “is to use business enterprise to enable rural families to overcome poverty and improve their quality of life in a sustainable way and to influence others to do the same” (ACAT, 2007b:1).

It could be argued that Ndebele’s perception of FBOs (mentioned above) is not surprising, despite their active presence, given the national government’s failure to capitalise on the Memorandum of Understanding. Not only has the national government continued to under-utilise the FBOs in development projects, it has, in some cases, withdrawn funding from organisations that maintain an overtly religious

⁸ For more information on this project please see Appendix A.

position (Day and Matisonn, 2009:8). If the Church and faith-based entities are closer to the people than is the government, and the government claims to want to be truly effective in addressing the people's issues and problems then why is the state not making the most of the framework and agreement that it has established - should the state not be looking to build relationships with FBOs instead of demolishing them?

The government's reticence to harness the potential of FBOs in poverty alleviation is even more difficult to understand given the significant emphasis it places on public participation, and public participation at the local level (Day and Matisonn, 2009:8). The South African Constitution for example, places an obligation on local government to "encourage the involvement of communities and community organisations in the matters of local government" and the Draft National Policy Framework for Public Participation (2007) opens with the statement that the government is "committed to a form of participation which is genuinely empowering and not token consultation or manipulation" (Day and Matisonn, 2009:8). Most tellingly perhaps is the statement made by the Minister of Provincial and Local Government, that "government does not only view community participation as an end in itself. Rather the purpose of participation is the very essence of a people-centred approach to development. In this context, communities should not be viewed as passive participants but as active agents of change and development" (Day and Matisonn, 2009:8-9). However, in light of the fact that firstly, the participation mechanisms, which are established to channel citizens' input, are often not accessible to the majority in societies characterised by inequality and typically do not automatically benefit poor people and groups that have long faced social exclusion; and secondly, given that FBOs in South Africa tend to be situated in and focused on just such people why the sidelining of FBOs? What is it about this particular category of community-based organisation that raises alarm? This study argues that the answer, or at least part of it, relates to social capital.

Chapter Three: Conceptual framework - the (perceived) problem with FBOs

Conceptualising social capital

What then is social capital? With sociologists, political scientists and economists all offering their own accounts there is little consensus surrounding the actual definition. Contemporary discussions and debates pertaining to social capital are predominantly centred on contributions by Pierre Bourdieu, James Coleman, Robert Putnam as well as those social scientists who have adopted, advanced, adapted or critiqued Bourdieu, Coleman and Putnam's ideas (Pharoah, 1999:24).

The concept of social capital emerged as a result of various endeavours to ascertain a common middle ground between economic theory and social theory and to overcome economic theory's rather restricted acknowledgment of only one type of capital. In opposition to the "one form of capital" approach, Bourdieu employs social capital as a component of a larger theory accounting for the distinctions that emerge and are reinforced in different realms of life such as the social, intellectual, economic and political spheres (Emmett, 2000:508; Pharoah, 1999:24). These spheres are considered to be structured social spaces where individuals and institutions struggle and strive to better their positions or situations. For Bourdieu, the importance of social capital lies in the assumption that these spheres derive their structure from power relations in which actors' positions, in terms of their relations with one another, are determined by an actor's access to various types of capital: economic, cultural, symbolic and social. Social capital is defined by Bourdieu, as social relations such as connections, commitments and obligations that can be translated or transformed into economic capital, for example, assets that may be converted into money (Pharoah, 1999:24).

Bourdieu draws on the conception of *habitus*, notably the common attitudes, opinions and worldviews that individuals stemming from similar class backgrounds and the same gender groups share. He maintains that these commonalities foster and generate social networks. These social networks may in turn become "institutionalised" - this can happen in a number of ways such as through "common names, citizenship and membership of an organisation" (Pharoah, 1999:25). Not only does Bourdieu believe

that networks are sources of social capital but the feelings of connection to one another that individuals derive from these commonalities are also considered to be sources of social capital. Individuals can draw on these connections and relations to access and attain capital as it appears in its various forms (Pharoah, 1999:25).

Coleman (1988:S118) discards these individualistic assumptions and attempts to introduce social capital into a social theory that draws on notions of rational action. He maintains that social capital exists parallel to financial, physical and human capital (Coleman, 1988:S118). As opposed to other types of capital, social capital, which is found in the structures and foundations of relations that exist both between and among actors, emerges as a result of the changes in these relations that foster action (Coleman, 1988:S98; Pharoah, 1999:25). Coleman advocates a broad concept of social capital that is defined by its functions. He maintains that social capital “is not a single entity but a variety of entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors - whether personal or corporate actors - within the structure” (Coleman, 1988:S98). Coleman does not restrict the concept of social capital to vertical associations. He broadens the concept to include both horizontal associations and the behaviour of other bodies or entities, such as firms. The broader variety of associations allows for the inclusion of objectives that may be positive or negative. Coleman asserts “a given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others” (Serageldin and Grootaert, 2000:46). This approach to social capital encompasses both social structures as well as an array of norms that govern and direct interpersonal behaviour (Serageldin and Grootaert, 2000:46).

Coleman identifies and examines three forms of social capital: obligations and expectations - these are dependent on trustworthiness in the social environment; information channels - the social structure’s ability to allow for the flow of information; and social norms - that are associated or linked with sanctions (Coleman, 1988:S119). He argues that close knit social networks as well as organisational arrangements facilitate the establishment of “multi-layered relations” between actors which assist and promote the creation of social capital, thus for instance, one can accrue benefits by virtue of one’s membership to a close knit community or family (Pharoah, 1999:25).

Theories of social capital focus on social ties and shared norms as the key elements responsible for the well-being and economic efficiencies of societies. While this notion originally stemmed from the works of Bourdieu and Coleman, it was Putnam's studies in Italy (1993) and the United States of America (USA) (2000) which sparked in-depth debates about social capital. Putnam's conception of social capital is somewhat narrower than those of Bourdieu and Coleman. He approaches social capital as a set of horizontal associations, namely networks of civic engagement and social norms, among people who influence the community's output and productivity (Serageldin and Grootaert, 2000:45). Conceptually speaking, Putnam has made very little contribution to social capital and moreover, his study of variations in Italian government performance and economic development has recently been questioned particularly with regards to local politics (Fine, 2007:128). Yet, as a political scientist, Putnam did succeed in introducing social capital to the sphere of politics and to the state. More importantly however, it has been the implications and consequences of Putnam's contributions for development that have attracted wide-scale interest and hence have been responsible for his conception's popularity (Fine, 2007: 128).

According to Putnam, social capital refers to "connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them" (Putnam, 2000:19). Social capital comprises both structural and cultural phenomena. Structural phenomena include social networks made up of friends, neighbours and work colleagues. Cultural phenomena denote social norms that foster collaborative cooperation between individuals (Norris and Inglehart, 2005:181). When individuals connect with each other more they are said to increase their trust in one another. They find themselves in a better situation due to the strong collective element of social capital. Furthermore, connections between individuals constitute the social and economic systems in society therefore the functioning of both systems will improve (Gittell and Vidal, 1998:15). Putnam thus maintains that social capital, as it appears in the form of norms and networks, is a prerequisite for effective government and economic development.

Putnam has largely been responsible for initially popularising the concept of social capital particularly within the development realm. Development institutions and

studies have adopted Putnam's conceptualisation of social capital in an attempt to connect the issues and language of civil society, participation and governance to the language of economic development (Bebbington and Perreault, 1999:400). He defines social capital as "features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit" (Putnam, 1994:6-7). Putnam cites Coleman as noting "like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence...In a farming community...where one farmer got his hay baled by another and where farm tools are extensively borrowed and lent, the social capital allows each farmer to get his work done with less physical capacity in the form of tools and equipment" (Putnam, 1994:10). In this light, social capital is argued to provide a solution for the dilemma of collective action.

Putnam contends that "stocks" of social capital, notably trust, norms and networks, exhibit a tendency to be self-reinforcing and accumulative over time. Successful collaborations can create connections and build trust, which will become social assets that will assist in the facilitation of collaborations in the future, regardless of whether or not the future collaboration is related to the previous collaboration. In the same vein as conventional capital, actors who possess social capital are inclined to accumulate or generate more social capital - a case of "them as has, gets" (Putnam, 1994:10). In Hirschman's words, social capital, for example trust, would be categorised as "moral resources". Moral resources refer to those resources that when used their supply experiences an increase as opposed to a decrease, yet when these resources are not used they can be depleted (Putnam, 1994:10). When two people begin to increase their trust in one another their confidence in each other will also increase accordingly. Social norms and networks are two other forms of social capital that increase rather than decrease through use. Moreover, if they are not used they tend to decrease. Putnam concludes that one should thus presume that the formation and depletion of social capital should be recognised as "virtuous" and "vicious" circles (Putnam, 1993:170).

There are two key assumptions that underlie Putnam's conception of social capital: firstly, that networks and norms are "empirically associated" and secondly, that they produce economic consequences (Serageldin and Grootaert, 2000:45). In terms of the

first assumption, Putnam maintains that social capital has individual AND collective elements. He notes that individuals establish connections that benefit their interests. Individuals seeking employment often employ “networking” strategies. Social capital, as opposed to human capital, tends to prove useful because a large number of individuals obtain jobs on the basis of “who they know” and not as a result of “what they know” (Putnam, 2000:20). The effects of social capital are not merely restricted to economic ones. Citing Fischer, Putnam asserts that social networks form a vital component of most individuals’ lives. In some instances they provide assistance with regards to employment, however, they may also be useful in situations where people find themselves in need of a “helping hand, companionship, or a shoulder to cry on” (Putnam, 2000:20).

In addition, social capital may also produce “externalities” that may have consequences for the community at large (Putnam, 2000:20). Thus those people who form social connections are not the only ones who are open to receive the advantages and possible disadvantages or costs of these connections (Putnam, 2000:20). For instance, well-connected individuals who live in societies that exhibit poor levels of connections do not enjoy the same degree of productiveness as those well connected individuals who live in a well-connected society. Furthermore, despite the fact that an individual may not be well connected, in the event that they live in a community that is well connected, they may enjoy “spillover benefits” which they accrue by virtue of living in that community (Putnam, 2000:20). Social capital should thus be regarded as both a private good and a public one. Bystanders may also receive benefits from others’ contributions to social capital, while those people who invest and contribute to social capital may receive benefits when serving their interests (Putnam, 2000:20).

Moreover, social connections play an important role when it comes to maintaining and preserving codes of conduct and behaviour. Putnam states that networks entail mutual obligations and commitments. Networks of community engagement promote and generate stable norms of reciprocity. Put simply: “I’ll do this for you now, in the expectation that you (or perhaps someone else) will return the favour” (Putnam, 2000:20). While in some instances reciprocity may be specifically defined, for example, if an individual says “I will do this for you if you do that for me”, norms of reciprocity that are generalised are deemed to be of greater value – “I’ll do this for

you without expecting anything specific back from you, in the confident expectation that someone else will do something for me down the road” (Putnam, 2000:20-21).

According to Putnam, societies that possess generalised reciprocity are characterised as having higher levels of efficiency when compared to societies that are tainted by elements of distrust. The reasoning is that if one is not required to balance an exchange immediately as the transaction occurs one can achieve more. Putnam believes that “trustworthiness lubricates social life” (Putnam, 2000:21). When people from diverse backgrounds or cultures interact with one another on a frequent basis their interactions tend to foster norms of generalised reciprocity. Moreover, mutual commitments and obligations as well as responsibility for actions and behaviour are said to be involved in civic engagement and social capital. Putnam contends that norms of reciprocity and social networks can foster and facilitate cooperation for mutual benefit (Putnam, 2000:21). He notes that an individual’s incentive to enter into behaviour that is opportunistic or malevolent is decreased in situations where political and economic relations and involvements are rooted in networks of social interaction which are dense. Putnam explains that social ties and connections promote not only discussion and dialogue but also a number of useful ways in which reputations are formed. Reputations are seen as being a crucial building block of trust in complex communities and societies (Putnam, 2000:21). Social capital as it appears as social networks and norms of reciprocity appear in many different forms and figures and are used in many different ways (Putnam, 2000:21).

Putnam cautions that while networks as well as norms of reciprocity tend to have beneficial outcomes for those who exist within these networks, the external influences that social capital may produce may not always necessarily have positive outcomes or effects (Putnam, 2000:21). For instance urban gangs, NIMBY (Not In My Backyard) movements and power elites have been known to use social capital to their advantage in an attempt to attain an objective that may prove to be antisocial. As is the case with most forms of capital, social capital can be exploited in order to achieve malevolent and antisocial ends (Putnam, 2000:21). Timothy McVeigh used social capital when bombing the Alfred P. Murrah Federal Building in Oklahoma City. Joined by norms of reciprocity McVeigh’s network of friends assisted him to achieve a goal which it is unlikely he would have achieved on his own. McVeigh drew on physical capital, in

the form of a truck filled with explosives as well as human capital, in terms of bomb-making skills and knowledge, to fulfil his objective (Putnam, 2000:21-22).

It is thus critical, in Putnam's mind, that one raises the question of "how the positive consequences of social capital - mutual support, cooperation, trust, institutional effectiveness - can be maximised and the negative manifestations - sectarianism, ethnocentrism, corruption - minimised?" (Putnam, 2000:22). With this question in mind, scholars have embarked on efforts to differentiate between types of social capital.

When distinguishing between these different forms of social capital, Putnam contends that the "most important dimensions" along which these types of social capital differ, are found in the differences between bridging and bonding social capital (Putnam, 2000:22). Putnam notes that bonding social capital exhibits an inward focus which tends to emphasise exclusive identities and homogenous groups. Networks that are representative of bridging capital tend to have more of an inclusive outward focus that stretches across social divides to unite people (Putnam, 2000:22-23). Putnam points out that different consequences accompany these two different forms. Bonding social capital, for instance, is useful when it comes to "undergirding specific reciprocity and mobilizing solidarity" (Putnam, 2000:22). He illustrates this point with the use of an example of dense networks of ethnic enclaves. These particular networks not only offer those members of their community who may be less fortunate with important social and psychological support, but in so doing they provide initial capital, a market as well as labour for entrepreneurs within the local area (Putnam, 2000:22).

Bridging social capital however, is seen as being better suited to establishing connections with assets outside of the community as well as for communicating and disseminating information (Putnam, 2000:22). Granovetter notes that "weak ties" linking an individual to acquaintances from distant, different networks tend to be of more value when attempting to find a job or a political ally. This is in contrast to the "strong ties" linking that individual to family members and close friends who belong to similar if not the same social circles (Putnam, 2000:22-23). According to Briggs, bonding social capital helps one "get by" while bridging social capital is critical when one is hoping to "get ahead" (Putnam, 2000:23). In addition, the outward looking

bridging social capital fosters broader identities and encourages reciprocity. The inward looking bonding social capital “bolsters our narrow selves” (Putnam, 2000:23).

Bonding social capital may produce “strong in-group loyalty” and as a consequence “strong out-group antagonism” and thus as a consequence of this observation one may anticipate that this form of social capital is more likely to be associated or accompanied by external effects and influences that are negative (Putnam, 2000:23). Putnam does however add that under different circumstances and contexts, bridging and bonding social capital may have positive or negative consequences.

Some groups have been known to produce both bonding and bridging social capital at the same time. They can bond along some lines and bridge along others (Putnam, 2000:23). For instance, some black churches bridge class cleavages to unite people from the same racial and religious group. Having been established to unite people from different ethnic groups, the Knights of Columbus simultaneously created bonds in terms of religious and gender dimensions (Putnam, 2000:23). Thus one cannot simply classify some social networks as being strictly bridging or strictly bonding networks. Instead one should regard the bridging and bonding types as “more or less” dimensions that can be employed when making comparisons between various, different types of social capital, as opposed to treating bridging and bonding typology as “either-or” categories (Putnam, 2000:23). Having said this, Putnam does remark that one must be aware of this conceptual differentiation, as it is important to acknowledge that these forms of social capital are by no means transposable or interchangeable (Putnam, 2000:24).

Social capital and FBOs

Putnam acknowledges that historically, religious organisations have been instrumental in American civic society. He notes that “faith communities in which people worship together are arguably the single most important repository of social capital in America” and he adds that secularisation has played a role in eroding community activism (Putnam, 2000:66). As is illustrated by his reference to a black church above, Putnam draws connections between the potential roles that FBOs may play in

terms of social capital formation and the types of social capital produced by FBOs. Putnam refers to Roof's notion that by nature churches and synagogues usually tend to be exclusive and have the ability to establish social and religious boundaries (Putnam, 2000:77).

In terms of FBOs' social service programmes, Monsma and Soper maintain that when compared to secular social service programmes, FBOs tend to create long-term relationships and connections with clients in that they continued even after the programme had ended (Lockhart, 2005:47). Bolstering Putnam's assumptions, Bartkowski and Regis comment that FBO social service programmes are covenantal or binding in that they emphasise mutual commitments and responsibilities within communities, while secular programmes resembled contracts that endeavour to attain individual goals and objectives. Their research in rural Mississippi found that covenantal relationships within religious groups have the potential to be exclusive as they reinforced social barriers pertaining to race as well as class (Lockhart, 2005:48).

Furthermore, when embarking on a comparative study of whether social capital develops differently in FBOs' poverty-to-work programmes and secular poverty-to-work programmes, Lockhart (2005) draws on bridging and bonding categories advanced by Putnam. In his study Lockhart, investigated three secular and two faith-integrated poverty-to-work programmes. In order to highlight the different effects that religion may have within these programmes Lockhart selected faith-integrated programmes that included religious elements such as prayers and Bible studies into their programmes (Lockhart, 2005:49). He attempted to ascertain firstly, what types of social ties were generated by these programmes and secondly, what norms of relationship were promoted and prevalent. Facing a similar challenge that this study faced, Lockhart was not able to access or interview all of the programmes' participants. Moreover, he was not able to conduct follow-up interviews with those participants with whom he had had contact. Lockhart therefore did not have sufficient data to investigate whether these programmes were effective or whether the relationships, which emerged, were enduring. He was however, able to detail the norms of these relationships as observed during classes and mission statements as well as how these relationships were formed (Lockhart, 2005:49).

Lockhart operationalised bridging social capital “by noting the mixture of racial, ethnic, class or gender differences found in relationships” (Lockhart, 2005:49). He went on to operationalise bonding social capital “by noting how much supportive relationships and mutual trust were stressed within relationships” (Lockhart, 2005:49). Lockhart concluded “faith-integrated programmes focused on religion as a basis for bonding and, with their religious cultural and organisational resources, perhaps created deeper, broader more sustainable relationships” (Lockhart, 2005:57). He therefore found that religion provided the basis for the creation of bonding social capital in faith-integrated programmes. Thus this study will draw on Lockhart’s operationalisation of bridging social capital in order to study the types of social capital produced by an FBO’s programmes as well as the norms of relationships that are promoted but it will slightly adapt the operationalisation of bonding social capital. This study will operationalise bonding social capital by noting the common values or norms of relationships advanced and stressed in the relationships created by the FBO’s programmes and the extent to which the FBO promotes these common values in the hope of ascertaining whether this FBO also uses religion as the basis for bonding.

Lockhart observed that in faith-integrated programmes religion and common values bridged barriers of race and class. In terms of staff and participants, the programmes under review were all interracial. While the staff and volunteers generally belonged to middle class, the participants were categorised as being from the lower class (Lockhart, 2005:49). Relationships were formed between members of staff and the participants thus fostering bridging social capital which extended across cleavages of class. It became evident that interracial bridging capital also emerged between staff, volunteers and participants (Lockhart, 2005:49).

In terms of bonding, the secular organisations endeavoured to build bonds on the basis of norms and values of mutual respect and empowerment. As mentioned above, the faith-integrated programmes focused rather on religion for bonding. Lockhart notes that FBOs as well as congregations “provide bonding social capital” (Lockhart, 2005:57). As they can be socio-economically heterogeneous the FBOs and congregations can be effective spaces in which programmes that endeavour to foster bridging and bonding social capital amongst the poor (Lockhart, 2005:57).

While Putnam recognises the importance of faith communities and organisations, Smidt (2003: 2) argues that Putnam and other scholars do not regard religious organisations as being any different from any other form of association. Consequently, minimal attention has been paid to the “unique role that religion may play in building social capital”. Therefore, Smidt maintains that scholars should pay more attention to the relationship between religion and the creation of social capital as well as the consequences (Smidt, 2003: 2). Various scholars including Coleman, Warren, Wood, Campbell and Yonish, Nemeth and Luidens, Harris, Curry, Smidt, Williams and Wuthnow have attempted to address this omission.⁹ Drawing on the findings and discussions presented by the above-mentioned scholars, Smidt asserts that there is a particular form of social capital which is related to religion. He goes on to identify certain qualities which differentiate this religious social capital from other forms of social capital.

To begin with, Smidt notes that the “quantity” of religious social capital sets it apart from these other forms (2003:217). The amount of social capital in America that stems from religious sources is much higher than the level of social capital generated by other sources. For instance, Putnam notes that “nearly half of all associational memberships in America are church-related, half of all personal philanthropy is religious in character, and half of all volunteering occurs in a religious context” (as cited by Smidt, 2003:217).

Secondly, this form of social capital is said to be more durable. Given that church attendance is deemed to be representative of a person’s religious commitment, the frequency of church attendance (as opposed to religious affiliation) correlates positively with volunteering, charitable contributions and civic engagement. Studies conducted by Campbell and Yonish (2003:105) into religion and volunteering in America, found that there is a strong relationship between church attendance and volunteering and this connection is apparent in the social capital generated in a church

⁹ Each of the aforementioned authors contributed to the volume Smidt, C. (Eds). 2003.*Religion as Social Capital: Producing the Common Good*. Waco: Baylor University Press. The objective of this volume is to investigate religions role in the creation of social capital and how social capital stemming from religious sources shapes civic engagement in America. It also studies how religious associational life may influence social capital generation and how this may differ across contexts and sectors.

community. They theorise that as churchgoers produce networks of reciprocity, they tend to become increasingly civic-minded which in turn fosters a willingness to become involved in voluntary activity (Campbell and Yonish, 2003:105). As for charitable contributions, Nemeth and Luidens (2003:119) investigate whether there is a religious motivation for charitable contributions in America and whether religious participation forms social capital that results in increases in charitable contributions. Not only do Americans contribute more often to religious organisations when compared to other charities but they also give larger amounts. There is also more chance that members of religious organisations will give more than non-members. Nemeth and Luidens maintain that religious members' "increased giving" can be attributed to their "relatively high participation levels" (2003:120). In terms of social capital, frequent participation in voluntary organisations results in the formation of "greater and deeper networks of relationships among members" (Nemeth and Luidens, 2003:120). As a consequence of these relationships, a "greater" social capital is said to manifest itself in higher levels of trust and respect among members as well as higher levels of knowledge and trust in charitable activities. In turn, the social capital generated through these networks leads to the creation of increased contributions to both religious and secular charities (Nemeth and Luidens, 2003:120). Lastly, when analysing the relationship between religion and civic life in Canada and the United States, Smidt *et al* (2003:168-9) observed that in both countries, the relationship between religious involvement and civic engagement exhibited very similar features. Increases in the level of church attendance correlated with the increased likelihood of associational civic engagement and volunteer activity (Smidt *et al*, 2003:168-9). Smidt therefore argues that this form of social capital is more durable as the religious association's member's efforts and activities are likely to be maintained due to the member's motivation to continue to be faithful (2003:217).

Thirdly, religious social capital can be differentiated on the basis of its range. Active religious people, compared to people who are less religious or less involved in religious matters, tend to base their social relationships on different factors. Religions encourage their followers to interact with other people in a positive manner, irrespective of the potential benefits that could stem from these relationships. Smidt asserts that religions often endeavour to give a "voice to the voiceless"- to speak for those who may be silent. And as Putnam notes, in comparison to other voluntary

associations, membership in religious groups is “most closely associated with other forms of civic involvement, like voting, jury service, community projects, talking with neighbours and giving to charity” (as cited by Smidt, 2003:217).

Another quality which religious social capital exhibits is the ability to “nourish social capital” (Smidt, 2003:217). Having examined the role of religion in social capital formation in the realms of African-American political and social life, Harris (2003:137) claims that religion is capable of establishing reciprocity and that this feature is an offshoot of group cooperation. This is a point which Harris maintains has been neglected in investigations and discussions pertaining to religion and social capital formation (2003:137). Smidt reiterates that religion has the capacity to “nurture and sustain reciprocity” among actors and that religious social capital may offer a more solid foundation for group cooperation when contrasted with social capital originating from secular sources (2003:137). While group cooperation within secular contexts may be motivated by material reasons to promote cooperation, collective action within religious spheres may emerge as a result of non-material motivations, for instance wanting to do good, which often stem from religious beliefs (Smidt, 2003:137).

Lastly, this religious form of social capital is regarded as being distinct, on the basis of the significant benefits it possesses and bestows on certain sectors of American society. Smidt cites Verba as noting that churches play an influential role when it comes to “enhancing the political resources available to citizens who would, otherwise be resource-poor” (Smidt 2003:218). Religious organisations are known to offer people the chance to practice civic skills. For instance, irrespective of their educational qualifications, religious followers gain knowledge of how to administer meetings, debate and evaluate different proposals, manage disputes, as well as bear administrative responsibilities. Consequently, religious organisations foster civic skills and religion and are said to compete with education as the “most powerful variable related to most forms of civic engagement” (Smidt 2003:218).

Ultimately, it is likely that future research endeavours may identify other factors which will differentiate religious social capital from other forms of social capital (Smidt 2003:218).

Economic consequences of social capital for the poor and poverty alleviation programmes

Apart from the effects that the different types of social capital mentioned above may have, Putnam asserts that networks, a form of social capital, may produce economic consequences. His second main assumption is based on the notion that social capital has the potential to foster economic development.

As early as 1994 Putnam asserted that social capital was increasingly being recognised as a “vital ingredient in economic development around the world” (Putnam, 1994:10). According to Putnam a plethora of investigations focusing on rural development has illustrated that when compared to physical investments, suitable technology and “getting prices right”, a dynamic network connecting indigenous grassroots associations can be just as important to growth as the above mentioned factors (Putnam, 1994:11). Putnam also refers to research on the miracle markets of East Asia which stress the significance of the presence of dense social networks to the point that these rapidly growing economies were labelled as a new type of “network capitalism” (Putnam, 1994:11). The foundations of these networks often lie in the extended family or tightly woven ethnic communities. A common example of one such community is that of the Chinese immigrants. These networks cultivate trust, prompt a decrease in transaction costs and hasten the flow of information and innovations. It is through these networks that social capital has the potential to translate into financial capital (Putnam, 1994:11).

Putnam derives an example of one such network from a novel entitled *The Joy Luck Club* by Amy Tan. In the novel a group of friends who meet to play Mahjong (a game) form a joint investment association. When examining China’s rapid growth rate Putnam argues that China’s success has relied more on the presence of *guanxi* (personal connections), rather than on formal institutions to form the foundation of contracts and to direct savings and investment decisions (Putnam, 1994:11). He goes on to add that it is also becoming apparent that social capital plays an important role in the development of the more advanced western economies. In addition, research on what Alfred Marshall termed “industrial districts”, which are exceptionally efficient

and remarkably flexible, also awards a great deal of importance to the networks of collaborations that exist among not only workers but also small entrepreneurs (Putnam, 1994:11). The presence of concentrations and clusters of social capital serve to encourage and feed ultra modern industries such as the high tech Silicon Valley and Benetton's fashion industry. Contemporary mainstream economics, such as "new growth theory", are placing more of an emphasis on social structure when compared to the more conventional neoclassical models (Putnam, 1994:11-12).

Putnam contends that the social capital perspective can contribute to the formulation of new strategies and programmes for development. Drawing on the example of former communist lands in Eurasia, he notes that recommendations for the bolstering and advancement of market economies as well as democratic institutions and culture focus predominantly on the insufficient levels of financial and human capital therefore there is a call for the extension of loans and technical aid to these countries (Putnam, 1994:12). Putnam is quick to point out that there are alarming deficiencies in social capital in these countries. He questions whether there are genuine endeavours to promote social capital formation within these countries. He acknowledges that efforts to export the United States of America's model of Parent Teacher Associations (PTAs) would appear to be somewhat improbable or unlikely, and suggests that there should be concerted efforts to slowly and patiently encourage and rebuild the remaining fragments of indigenous social civic associations that are still present after years of totalitarian rule (Putnam, 1994:12). For example, S. Frederick Starr has highlighted that there are pieces of civil society, such as philanthropic agencies and chess clubs, which have survived in Russia. In the event that these community associations transcend cleavages, such as ethnic lines, they are regarded as particularly valuable forms of social capital (Putnam, 1994:12).

For Putnam, one simply cannot administer generic injections of technical knowledge or skills into firms or workers. The objective should be to generate productive new connections linking workers without having to incur expenses related to the establishment of new bureaucracies. Putnam's suggestions include the subsidisation of training programmes that incite the establishment of local partnerships between firms, educational institutions and community associations (Putnam, 1994:12). The potential contributions that these programmes would have in terms of the

accumulation of social capital end up being more effective than the contributions stemming from technical productivity (Putnam, 1994:12).

Social capital, poverty alleviation and FBOs

Buoyed by not only social capital's explanation of the variations in economic development but also the thrust of Putnam's popular arguments, Putnam's conception of social capital has come to shape the current development discourse. The newfound emphasis on the importance of social networks in development illustrates a definite movement away from previous theoretical approaches. This has significant implications for development research and policy. Prior to the 1990s the key theories of development had advanced restricted views on the role of social relationships within the realm of economic development and their contributions with regards to their policy recommendations and suggestions were negligible (Woolcock, 2002:31). For instance, during the course of the 1950s and 1960s modernisation theory considered traditional social relationships and activities to be obstacles hindering development. In an attempt to provide an explanation for the failure of capitalism to emerge modernisation theorists focused the spotlight of blame on social relations as the impeding factor (Woolcock, 2002:31).

According to Woolcock (2002:32) the social capital literature indicates an attempt to respond to the demands for a review of the role of social dimensions in terms of wealth and poverty. Importantly, one must also recognise the emergence of social capital as a dominant development theory within the context of the movement away from fundamentalist neoliberalism towards what has been termed "revisionist neoliberalism". When it first emerged, neoliberalism endeavoured to disengage and extricate the state from the economic sphere in an attempt to liberate market forces and to encourage the emergence of an entrepreneurial culture and spirit (Mohan and Stokke, 2000:255). After more than a decade of adjustment and liberalisation – the success of which was questionable - neoliberal scholars slowly began making a number of concessions. To begin with they allowed the state to have more of a positive role and position; and secondly, they came to acknowledge that development is in fact a social process that is accompanied by cultural factors which need to be taken into account (Mohan and Stokke, 2000:255). Mohan and Stokke (2000:55)

reiterate the importance of acknowledging that social capital exists within this context. Moreover, they add that the two concessions made on the part of neoliberals have precipitated a movement towards multi stakeholder development initiatives which are made up of partnerships and arrangements amongst and between the state, private capital and civil society (Mohan and Stokke, 2000:55).

Social capital has subsequently emerged as not only an analytical concept but also as a policy tool within the development realm. Analytically, a number of researchers have investigated whether social capital fosters economic development and accounts for successful poverty alleviation projects (Mohan and Stokke, 2000:255). For example, having conducted extensive studies on social capital and development Bebbington *et al* maintain that “the nature of relationships among plural actors, and the consolidation of social capital in the form of organizations and networks, constitute part of the explanation of these successes in sustainable forestry” (Mohan and Stokke, 2000:256). Analysts generally maintain that there is a strong association between social capital and local development: social capital is regarded as a “local endowment” that leads to local development (Mohan and Stokke, 2000:256).

Following in line with the first analytical application of social capital theory, the second application is employed somewhat more prescriptively. If one agrees that social capital is an important factor underpinning development progress and success and moreover, if one accepts that a failure or lack of progress is attributed to a distinct lack of social capital, it is argued that in light of these two “commonly” agreed upon tenets of social capital, policies should be centred on efforts to establish and encourage social capital formation and in so doing “thickening” civil society (Mohan and Stokke, 2000:256). Social capital proponents, such as Wilson, therefore encourage development planners to achieve the “intangible” objective of forming social capital by promoting participation (Mohan and Stokke, 2000:256).

The World Bank has emerged as one of the chief champions of social capital theory. It holds that social capital underpins a diverse array of developmental programmes and initiatives. It has even gone so far as to launch a World Bank Social Capital website. According to the World Bank’s definition of social capital, which is posted on the website, social capital refers to “the institutions, relationships, and norms that

shape the quality and quantity of society's social interactions" that may be located in family units, communities, corporations, civil society, the public sphere, ethnicity as well as gender relations (Mohan and Stokke, 2000:256). Social capital is seen as contributing to economic wealth as well as sustainability and ideally speaking should involve horizontal and vertical associations that foster social cohesion and thwart parochialism that can have divisive consequences (Mohan and Stokke, 2000:256). Social capital is also relevant in terms of the larger political and social contexts in which communities are located. Putnam argues that social capital has the potential to promote democracy. World Bank policy endeavours to promote wide-scale participation and partnerships between the state, private sector and civil society in an attempt to attain and fulfil social capital's potential with regards to development (Mohan and Stokke, 2000:256).

One World Bank paper has even gone so far as to herald social capital as "the missing link in development" (Harriss, 2001a:25). Accompanying the concept of social capital are other buzzwords that have also come to occupy centre stage within the contemporary development discourse - these include the concepts of "participation" and "civil society" (Harriss, 2001a:25). The central idea is that participation has the potential to lay the foundation for networks that assist in the formation of social capital which has the potential to foster economic prosperity and development and hence poverty reduction. The World Bank's 2000/2001 World Development Report promotes social capital formation as a key poverty reducing strategy (Oyen, 2002:12).

A plethora of development literature has emerged in which it is asserted that communities that possess substantial stocks of social capital, in the form of social networks and civic associations, have been stronger and more successful when it comes to confronting poverty and vulnerability (Moser, 1996; Narayan, 1996); solving disputes (Schafft and Brown, 2000); and disseminating information (Isham, 1999; Woolcock, 2002:22). Fox's (1997:15) exploration of the formation of networks and organisational features that constitute rural social capital in Mexico provides three "pathways" for the accumulation and formation of social capital. Fox maintains that one of the ways social capital is accumulated is as an outcome of collaborations between local groups and external actors from civil society, such as church reformers or non-governmental organisations (NGOs) (Fox, 1997:14).

Poverty and economic development are two serious concerns in South Africa. Habib and Kotze contend that the seriousness of the poverty situation in South Africa has precipitated the expansion of space for the mushrooming of CSOs that are orientating themselves towards development issues, particularly poverty-related issues (Icheke, 2007:52). As previously mentioned, a number of these CSOs that are embarking on poverty alleviation programmes in South Africa are FBOs. Oyen (2002:12) contends that CSOs have embraced social capital formation strategies which serve to legitimise their community-based programmes and participatory methodologies. Fournier (2002:9) acknowledges that social capital can assist social and economic development, but argues that in order to achieve this, it is necessary for the poor to be given a voice. Similarly, Oyen, cautions that it is critical to recognise that the poor have limited capacity when it comes to creating networks as they do not have the same capabilities or networks as the non-poor. She argues that the poor are unable to create their own networks for the expansion of social capital on a broader scale (Oyen, 2002:11,14). Bearing in mind that Fox notes that collaborations between external actors from civil society, such as faith or church groups, and local groups may produce social capital, this study is particularly interested in exploring how FBOs and the local groups, the poor who Oyen asserts are unable to create their own networks, create social capital through poverty alleviation programmes. Lockhart looks at the differences in the way in which FBO and secular poverty-to-work programmes generate social capital yet he does not question Putnam's arguments regarding the potentially negative, exclusionary effects of social capital produced by FBOs. This study is therefore concerned with ascertaining whether, as Putnam maintains, social capital does in fact have negative consequences when it is produced by a FBO.

The “dark side” of social capital ¹⁰

Apart from the positive economic consequences and the purportedly exclusionary effects of FBOs identified by Putnam above, a number of negative consequences of social capital have been noted in recent studies. Subsequently a great deal of literature has emerged which critically questions whether social capital is in fact the “missing

¹⁰ Harriss (2002:9) raises the questions “And is there not a ‘dark side’ to social capital?” when embarking on an in-depth critique of this concept.

link” in development or the “great hope of development” (Harriss, 2002:7; Pharoah, 1999:35). There appear to be four key consequences of social capital which have been deemed to be negative:

Firstly, Portes (1998:15) notes “the same strong ties that bring benefits to members of a group commonly enable it to bar others from access”. Waldinger discusses how the white ethnic population in New York who are descendents of Italian, Irish and Polish immigrants, exercise considerable control over certain industries and fields - namely construction and the fire and police unions. Solidarity and trust, which facilitate the creation of social capital, lie at the heart of these ethnic groups’ economic advancement. Yet, Waldinger is quick to add, “the same social relations that ... enhance the ease and efficiency of economic exchanges among community members implicitly restrict outsiders” (Portes, 1998:15).

Similarly Harriss (2002:9) observes that strong networks may be resources for ethnic groups, however, he questions whether these networks are resources for society at large. One group’s enjoyment of social capital may represent another group’s “social exclusion”. For instance, certain jobs that are seen as being “good jobs” may be earmarked for a specific ethnic group (Harriss, 2002:9-10). People from different groups are excluded and resigned to find other employment that may not be as rewarding. This is representative of situations where caste or similar ethnic features have shaped labour markets and employment opportunities (Harriss, 2002:10). In an attempt to “save the concept”, social capital proponents acknowledge the “dark side” of social capital and argue that it is necessary to draw a distinction between bonding and bridging social capital, which they maintain are both “necessary for development” (Harriss, 2002:10). As previously discussed, Putnam also acknowledges that bonding social capital has potentially negative consequences. This research will investigate Putnam’s interpretation of different organisations, in particular FBO’s, production of bonding social capital.

According to Portes, another negative consequence of social capital is somewhat contradictory to the first. In some situations, group or community “closure” has the ability to hamper the success of their members’ business ventures (Portes, 1998:16). Geerts’ study of the growth of commercial initiatives in Bali revealed that those

entrepreneurs who enjoyed a degree of success were continuously plagued and assaulted by kinsmen looking for employment or seeking loans. Requests or claims were bolstered by dominant norms pertaining to mutual assistance within larger, extended family groups and generally amongst the community as a whole. Consequently, enterprises and initiatives that showed signs of promise tended to become “welfare hotels”, thus hindering their economic advancement (Portes, 1998:16).

In addition, Portes states that participation in or membership of groups and communities tends to command conformity. When living in a small town or a village neighbours are likely to know each other, people are able to buy goods on credit at local stores, and children can ride their bikes in the streets while other adults in the community “keep an eye on them” (Portes, 1998:16). In these close-knit situations the element of social control can be quite strong and stifling. It can also be restrictive and limiting in terms of one’s individual freedoms. This is said to account for young people and independent thinkers’ tendency to move away from these situations (Portes, 1998:16). In his study of village life in Malta, Boisevain observed that in “dense, multiplex networks” where a number of social networks overlap with one another, the same people are connected on a number of different levels. Networks link individuals in such a way that it lays the foundation for an intricate, intense community life as well as a powerful set of local norms that are strongly enforced (Portes, 1998:16-17). Simultaneously individuals find that their privacy is reduced and their autonomy decreases (Portes, 1998:17).

The fourth and final consequence identified by Portes concerns situations whereby group solidarity is reinforced by a shared experience based on common adversity and opposition to larger society as a whole. In this context, individual achievements weaken the group’s solidarity and cohesion due to the belief that group cohesion is established and cemented on the notion that it is impossible for an individual from this group to attain this level of achievement (Portes, 1998:17). Hunter (2004) notes that if indigenous social networks are generally made up of unemployed people then this can result in a situation whereby indigenous people lower their expectations. This in turn can be self-reinforcing, as people do not recognise the potential benefits that may be gained by completing one’s education or advancing beyond the minimum level of

education. Skills acquisition and attainment that allows for or assists people to gain entrance into the labour market is reduced (Hunter, 2004:3). As Portes aptly puts it, there are “downward levelling norms” which serve to ensure that “members of a downtrodden group” remain in these positions and to prompt those members who are determined and ambitious to break away from this group (Portes, 1998:17).

Bourgois noted that those individuals who attempt to escape from these situations by endeavouring to enter the middle class mainstream are subject to attack and scorn from the group. Portes refers to a string of studies which have concluded that the establishment of “downward levelling norms” was preceded by long periods of time (even persisting from generation to generation) during which the upward mobility and advancement of certain groups was impeded by external sources of discrimination and prejudice (Portes, 1998:17). Past events and historical experiences appear to provide the foundation for the formation of oppositional positions with regards to mainstream society as well as cohesion and solidarity that is cemented by shared experiences and memories of subordination and discrimination. In the event that this normative perspective emerges, it tends to assist in the reinforcement and perpetuation of the same situation which it is so vehemently opposed to and condemns (Portes, 1998:17-18).

On one side of the coin, within some groups solidarity and trust may facilitate and generate socio-economic advancement and entrepreneurial development; however on the flip side of the coin, solidarity and trust may have totally different, even opposite outcomes. On one hand, it can provide a source for “public goods”, but on the other hand it can be a source of “public bads” (Portes, 1998:18). For instance, mafia families, prostitution and gambling rings as well as youth gangs, provide examples of situations whereby embedded participation and membership in social structures can lead to particularly unsavoury outcomes (Portes, 1998:18).

Portes and Landolt caution practitioners against accepting social capital as the missing link in development. They assert that connections and networks may not provide the sufficient wherewithal necessary to reduce and alleviate poverty. They maintain that while there is a significant amount of social capital in the ghettos in the USA, “the assets obtainable through it seldom allow participants to rise above their poverty”

(Pharoah, 1999:33). Moreover, Beall noted that insufficient social power might have negative consequences for the networks' performance rendering them ineffective and inefficient. Beall's study of waste management in Asia found that in Pakistan, while people from not only poor but also medium and richer neighbourhoods had all organised themselves to demand that the government provided services, the only groups that had the resources to invite and host dinner parties for municipal representatives were the representatives from the rich neighbourhoods' lobby group. The personal contact whilst enjoying a fine meal in an intimate dinner setting basically ensured that the government would provide waste disposal services to these wealthy areas. The poorer neighbourhoods, who not only lack status but also have insufficient wealth, have no choice but to lobby for the provision of services through the official bureaucratic channels that are not only large and corrupt but are also very unlikely to meet their demands and deliver the services (Pharoah, 1999:33). This prompts Foley to remark that the "power variable" functions to bolster and perpetuate the networks of the rich whilst undermining the networks of the poor (Pharoah, 1999:33).

Against social capital

Apart from critiques of the consequences of social capital, the actual notion of social capital itself has been the subject of wide-scale scepticism, scrutiny and critique. Various debates surrounding the concept, particularly with regards to its definitions and composition have emerged. The most popular arguments against social capital as well as the key arguments lodged against Putnam's conception will be discussed. This paper is not too concerned with critiquing the concept itself, as it is instead concerned with Putnam's conception. It not only draws on, but will also later focus on challenging Putnam's interpretation of how FBOs produce social capital.

The notion of social capital has been widely criticised and contested on both theoretical and empirical grounds. Fine (2007:125) draws attention to issues related to the presence of a variety of definitions of social capital. While definitions of social capital tend to require the inclusion of economic resources, Fine notes that social capital "has to be something over and above other types of capital but, as such, it seems to be able to be *anything* ranging over public goods, networks, culture etc"

(2007:125). There is, however, one necessary provision: social capital should be positively associated with the economy in a functional manner which promotes economic performance, particularly economic growth. As Narayan and Pritchett note “social capital, while not all things to all people, is many things to many people” (Fine, 2007:125). For instance, Woolcock identifies a total of seven different areas in which social capital had been applied: these included (dys) functional families, schooling, community life, work and organisation, democracy and governance, collective action as well as intangible assets (Fine, 2007:125). He concludes that the concept of social capital is all-encompassing and that “sociologists... have begun referring to virtually every feature of life as a form of social capital” (Fine, 2007:129).

Fine lodges a second related criticism of social capital. He describes social capital as a “totally chaotic concept” that derives its meaning from abstract studies and a large number of cases studies on which the concept has come to rely (Fine, 2007:129). Critical literature stemming from a variety of fields has illustrated the imprecise manner in which the notions of “social” and “capital” have been linked and employed (Fine, 2007:129). The notion of “social” is generally approached as anything that cannot be reduced to “individualistic exchange relations”, and likewise, “social capital” is believed to be anything with the exception of tangible assets (Fine, 2007:129). A number of problems therefore emerge when one acknowledges that the effects of social capital rely on its social context or situation, as it is difficult to discern where social starts and capital finishes - except if one were to redefine any feature of social capital in a holistic manner (Fine, 2007:129).

To substantiate this point, Fine draws on the notion of “evidence of perverse social capital” from a study of the way in which criminal activity is associated with strong networks in Colombia. He also contends that simple principles of economics advanced by Adam Smith illustrate that to run and operate a cartel, one requires two things: trust and a meeting between the producers. There does not appear to be anything overtly positive or anything set in stone with regards to the effects of social capital, unless one examines not only its intrinsic but also its extrinsic content (Fine, 2007:129).

Harriss (2001b:2) stands in agreement with Fine. Although he recognises that the concept of social capital does in fact have meaning, Harriss maintains that it has been employed within the development discourse in a manner in which it has become devoid of “analytical content in the service of conservative ideological ends” (2001b: 2). Harriss contends that the term is not only entirely confused but is also confusing (Harriss, 2001b: 2).

Finally, when examining literature of social capital two omissions, which will be discussed in due course, become apparent. Firstly, this literature fails to adequately explain how it proceeds from a micro situation to a macro one, for example, in a society, how does interpersonal trust become generalised trust? Secondly, it does not consider or take into account power and conflict (Fine, 2007:130).

Social capital appears to be a catch-all concept that tends towards ambiguity, or according to some, incoherence. Yet instead of prompting the demise of this concept these features have prompted further studies into the concept of social capital (Fine, 2007:130). In some situations, theory has endeavoured to create a variety of intermediate concepts that provide contexts in which to situate any incongruities - be they analytical or empirical - that emerge, ranging from networks, trust and structural holes, as well as from the idea that social capital is free and moreover, that the generation of social capital takes time but the dissipation of social capital can happen in the blink of an eye (Fine, 2007:130). However, little attention is paid to the validity of the concept and thus the concept is included in a growing number of studies and exercises. In short, Fine concludes that these two different approaches, “feed upon one another, creating a web of eclecticism in which the notion of social capital floats freely from one meaning to another with little attention to conceptual depth or rigour” (2007:130). While these criticisms have been acknowledged, they do not necessarily undermine the use of social capital within a study that is critically analysing a certain conception of social capital, which in this case is Putnam’s.

Putnam’s study of variations in regional government and economic development in Italy suggests that one may distinguish between societies on the basis of their stocks of social capital. When comparing Northern and Southern regions of Italy, Putnam demonstrates that differences in civic engagement, in the form of political

participation, newspaper readership and the presence of horizontal voluntary associations, account for variations in both government performance and economic development (Harriss, 2001a:28). According to Harris, during the course of Putnam's work it appears that civil society becomes equated with social capital, which stems from horizontal, voluntary associations. Researchers and policy makers have consequently begun equating social capital with the notion of civil society, with the latter comprising the voluntary associations that exist in the sphere between the family and the state. As a result social capital is increasingly being associated with voluntary associations (Harriss, 2001a:28). For Harriss this line of thinking is flawed. He explains that while Putnam's idea that interpersonal trust is generated through participation and membership in voluntary associations may prove to be valid, he fails to account not only for the way in which but also for the reason why interpersonal trust moves to being generalised societal trust (Harriss, 2001a:28).

Harriss disputes Putnam's assertion that "civic engagement = social capital = voluntary associations" (2001a:28). He argues that it is conceivable for groups or associations in society to possess high levels of trust, and thus according to Putnam social capital, yet show hostility towards one another. This prompts the question "does such a society, then, have a high level of social capital?" (Harriss, 2001a:28). The trust or social capital, which emerges in these small groups in the event that participants interact in a face to face manner so as they get to know one another and develop norms of reciprocity, cannot simply be mixed together to produce generalised societal trust within that society (Harriss, 2001a:28).

When discussing civic engagement Putnam addresses the notions of "civility" and "civicness" which are related to ideas pertaining to the impartiality of treatment and individuals as citizens, and their equality in terms of law (Harriss, 2001a:29). Moreover, the notion of civil society implies that there are laws as well as more informal codes of conduct and standards of behaviour. If people acknowledge the legitimacy of these institutions and believe that the norms and values comprising these institutions will encourage those responsible for their implementation, then civicness/civil society tend to blossom, and "there is a fair degree of generalized societal trust" (Harriss, 2001a:28). Yet Harriss is adamant that it is not logically possible to demonstrate empirically that these situations emerge due to the presence of

horizontal, voluntary associations. The presence of civil society and the existence of generalised societal trust presume an institutional framework implemented by the state's agency (Harriss, 2001a:28).

In addition, further studies of Italy's history have demonstrated that firstly, Putnam's historiography is not only incorrect but secondly, a new set of arguments pertaining to the social phenomena, which Putnam depicts, demonstrates the central importance of the state as well as political processes (Harriss, 2001a:29). Historians identify the backward character of Southern Italy as a product of state-building processes initiated in Italy during the course of the 19th century and not a result of centuries of lack of trust/social capital as proposed by Putnam. Furthermore, they maintain that high levels of civic engagement in North Central Italy during the late 19th and early 20th centuries appeared as a product, as opposed to a causal factor, of the emergence and advancement of progressive political parties and policies within this region (Harriss, 2001a:29). Putnam acknowledges the presence of an association between effective government and the presence of strong popular support for the Italian Communist Party; however, he fails to recognise this party's strategy to promote and support activities that were units of measure of social capital/civic engagement (Harriss, 2001a:29).

Thus, according to Harriss, the arguments and propositions drawn from Putnam's findings suggest that the presence of "a vibrant civil society" or of "abundant stocks of social capital" (each of these options are believed to be equal to "lots of voluntary association") is a prerequisite for good governance and effective democracy (2001a:29). Harriss condemns these assumptions by arguing that they appear to be questionable on historical grounds as well as being flawed logically (Harriss, 2001a:29).

Putnam's later study of the USA entitled *Bowling Alone: the collapse and revival of community in America* has also elicited similar critiques from commentators. Harvard's Theda Skocpol, for instance, argued that the American Revolution, the US Civil War, the New Deal as well as the first and second World Wars promoted and sustained US civic associations (Harriss, 2001a:29). Moreover, she contends that these associations were, up until more recent times, encouraged and advanced by

institutional patterns and systems of US federalism, legislation, competitive electoral system, as well as local political parties (Harriss, 2001a:29). Skocpol's argument that Putnam has incorrectly assumed "that social capital is something that arises or declines in a realm apart from politics and government" stems from her historical review "How Americans Became Civic" (Harriss, 2001a:29). While Putnam's failure to take into account politics will be discussed below, Harriss is adamant that the idea that social capital is "the missing link in development is misleading" (Harriss, 2001a:29).

As mentioned above, Putnam has been criticised for omitting to take into account political processes in his conception of social capital. This failure will be discussed alongside Navarro (2003) and Mohan and Stokke's remarks that Putnam has also omitted to pay attention to the importance of power in his conception. Navarro remarks "the first thing evident in Putnam's communitarianism approach is the remarkable absence of *power* and *politics*" (2003:427). Others such as Mohan and Stokke have also commented that social capital theory under-theorises "the role of local political processes and state power" (2000:258). To give Putnam his due, despite under-theorising these issues, he was responsible for introducing social capital to the sphere of politics and the state. Putnam does also look at local political processes such as elections and referenda, however he fails to take into account those local political processes that are responsible for defining and determining who can participate and who cannot. Participation is a political issue particularly in a country like South Africa where the memory of legislated non-participation is still fresh. On a daily basis people are engaged in political struggles to participate in processes and gain access to resources. A person's ability to participate is determined by the power relations which exist in a given community or region, yet critics argue that Putnam fails to recognise the defining role of power relations.

Lastly, Putnam's social capital theory emerged as an attempt to provide an explanation for variations in government performance and economic development. Problems arise when one uses an explanatory theory, which was developed to explain one issue, to inform another – in this case, development policies and strategies at community levels. As Hunter puts it, development programmes and strategies have a propensity to import and transplant the idea of social capital, yet they fail to question

whether it is necessary to change or adapt the theory of social capital in order for it to be relevant, applicable or appropriate for the situation or community at hand (Hunter, 2004:14). As previously mentioned, it has been Putnam's conception of social capital which has been responsible for catapulting the concept into the realm of development. Whilst this occurrence has encouraged the creation of social capital formation strategies within the field of development, development institutions have turned a blind eye and a deaf ear to the critics' arguments about what they feel is the unsuitable use of Putnam's explanatory social capital theory or as Spronk (2001:1) puts it "social capital: a peg to hang any theory on", as the basis for these programmes.

Whether one supports the proponents or opponents of social capital, the concept and ensuing theory advanced by Putnam is useful in this study's analysis of networks and norms. Putnam's theory introduces the idea that networks, and in turn social capital, may produce a number of different outcomes - positive and negative. In this light, one may explore whether some networks and norms serve to include individuals, while others serve to exclude others. In the face of wide-scale critique, social capital theory thus provides this study with a means with which to analyse the consequences of networks and norms produced by a poverty alleviation programme in the hope of challenging Putnam's interpretation of FBO's production of social capital.

Social capital, poverty alleviation and FBOs continued

In bringing the areas of social capital, FBOs and poverty alleviation together, this study examines how an FBO's poverty alleviation programme generates social capital. This study draws on the types of social capital advanced by Putnam, bearing in mind his key assumptions. It examines the types of social capital produced by poverty alleviation programmes as well as the norms of relations and common values advanced and observed by these programmes. Lockhart draws on Putnam's framework as well as his bridging/bonding social capital divide when embarking on a comparative study of whether there are differences in the ways in which social capital develops in FBO and secular poverty-to-work programmes (Lockhart, 2005:45). This study investigates how an FBO poverty alleviation programme generates social capital and whether this social capital does in fact have consequences, be they positive or negative, for the poor. Based on these findings it examines whether Putnam's

assumptions regarding FBOs and their production of social capital and his proposed ensuing consequences are in fact flawed or not.

Chapter Four: Description of research methodology - a case study of ACAT

Researchers try to find ways to approach complex social reality. This research had a somewhat different consequence in that the further I proceeded, the more I realised that there were multiple realities in play: some of which intersected, and others, which were in tension. Moreover, these competing and conflicting realities not only affected the content of this research, but also its methodology.

Research methods

ACAT and its Integrated Livelihood Approach (ILA) – the basis of its poverty alleviation programme – are of particular interest given that this study not only attempts to explore if and how an FBO social service programme generates social capital but also endeavours to ascertain whether this FBO challenges or supports Putnam's assumptions regarding FBOs' production of social capital. In terms of research methods, ACAT, an FBO with a social service programme, appeared to be an appropriate FBO candidate for a case study. As the principal research method, a single case study is useful for studies, such as this one which requires a holistic, in-depth investigation (Tellis, 1997:1). The case study method allows researchers to conduct assessments of organisations, in this instance an FBO, and to identify defining features and characteristics. Thus enabling this research to explore if and how an FBO's poverty alleviation programme produces social capital. One of the main advantages of using this method lies in the ability to draw on multiple sources and techniques when collecting data (Soy, 2006:3). Yin cautions that researchers should use multiple sources of evidence to ensure construct validity when conducting a single case. This study therefore employs more than one source of evidence (Tellis, 1997:3).

Lockhart (2005:45) maintains that FBO social service programmes generate social capital. He also offers ways in which to identify the different forms of social capital produced by FBOs. With Lockhart's assistance bridging social capital is operationalised "by noting the mixture of racial, ethnic, class or gender differences found in relationships" (Lockhart, 2005:49). In addition, this study operationalises bonding social capital by noting the common values or norms of relationships

emphasised in the relationships created by the FBO's programme and the extent to which the FBO promotes these common values.

The operationalisation of the different forms of social capital guided the selection of research methods. In order to identify racial, ethnic, class and gender compositions of relationships as well as the common values and norms produced by the FBO, it was necessary to conduct interviews and analyse documentation. Interviews proved to be the most appropriate technique for this explorative research, enabling me to gather in-depth responses and information from respondents. The interviews took the form of semi-structured conversations. This interview method allowed me to explain the objectives of the research at length and to demonstrate within the conversation the points which were of great importance to the study. Due to the semi-structured nature of the interviews I was still able to guide the direction of the conversations with the questions I had initially set out and to address any additional questions or points of interest that came to mind during the interviews. ACAT's director, Mr. Gerald Dedekind, permitted me to conduct six interviews. He identified six key players and furnished me with their contact details. The interview participants included the founder and trustee of ACAT, the director, two programme leaders and two Extension Officers.¹¹ Apart from the ACAT-related interviews I also conducted eight interviews with nine participants from various FBOs in the KZN area who were selected due to their positions as representatives of these organizations. During one interview I interviewed two participants. The FBOs were identified on the basis of their areas of focus so that this study could identify the different types of work being conducted by FBOs in KZN.¹² In addition a set of interview questions was emailed to three researchers: Professor Tony Balcomb, Dr. Alexander Johnson and Dr. Stephen Rule on the basis of their contribution to a pertinent study entitled *Dormant Capital: Pentecostalism in South Africa and its potential social and economic role* which was conducted by the CDE.

The interview questions were structured with the operationalisation of social capital in mind in order to assist me to identify if and how ACAT creates networks and structures as well as if and how it promotes norms with regards to relationships. Using

¹¹ For a list of ACAT interview participants please see Appendix B.

¹² For a list of the FBOs and interview participants involved in this study please see Appendix B.

these questions a working knowledge of how the FBO operates and how the programmes are structured could be gained.

The research experience

This study presented a number of challenges ranging from difficulties with gaining access to ACAT, academic versus religious tensions and secular versus sacred tensions to confronting personal questions of faith.

After having selected ACAT as a case study my first step was to gain permission (from ACAT's director) to volunteer at ACAT on a part time basis whilst conducting a study of the organisation. This request was unsuccessful - ACAT's leadership maintained that the FBO did not possess sufficient staff capacity to host a volunteer or assist someone conducting a study.¹³

Despite the fact that my request to ACAT's director had not been successful, my contact person for ACAT, Mr. Rick Phipson, who is an ACAT trainer, invited me to accompany him, in an unofficial research capacity, on a fieldtrip to ACAT and Mickelmass ABET Centres in the Ladysmith area. I was able to observe interactions between ACAT Extension Officer, Mrs. Sihle Ndlela, Community Volunteers and ACAT's participants. I also informally posed questions to Ndlela, as well as the hosts from ACAT, Mr. Rick Phipson and Mr. Louis Grussendorff. Due to language constraints I was unable to converse with the participants. However, I visited three ABET Centres, two programme-initiated vegetable gardens and one programme-initiated Spaza Shop. During the visit I was able to examine the environment in which ACAT's poverty alleviation programme takes place and to further my understanding of how the programme operates at grassroots level.

Despite my eager interest ACAT's leadership was reluctant to allow me to study the organisation. In the meantime I read *The True Gift of Freedom* (2005), a historical account of ACAT by Dr. Lawrence McCrystal, and was referred to Mr. Hugh Trollip, another ACAT Trainer, by an outside source. Trollip and I had an in-depth discussion

¹³ ACAT refers to its management as its "leadership".

on ACAT's motivations as an FBO and my spiritual orientation. We discussed the motivations behind my project. I had been unable to get hold of Dedekind – my emails and contact with the organisation had been through trainers and not the leadership. I was having a great deal of difficulty gaining access to ACAT as its leadership and hence its gatekeepers appeared to be cautious of me. On contacting Dedekind directly he requested another letter motivating exactly what would be expected of ACAT, for example, the number and duration of interviews. This was disheartening, as Dedekind appeared to be rather apprehensive. The reluctance on the part of ACAT's leadership appeared to stem from a combination of factors including capacity issues, reservations about my motivations and questions surrounding my Christian commitment. This evoked a series of ethical concerns for me: firstly, feeling rather desperate, thoughts of posing as a Christian in order to gain access under false pretences did fleetingly and unethically cross my mind. Secondly, the leadership's reluctance did prompt negative feelings. It was difficult not to take their decision, which felt like a rejection, personally and let these negative feelings skew my objectivity. I was also aware of the fact that if I did beg too much and gush over how wonderful ACAT is, and in doing so paint a false picture of my objectives, I would find myself in an uncomfortable position when I later raised critical questions in the interview stage - I would have appeared to have misled ACAT. As it was, from an investigative standpoint, I was afraid of being too critical in case the interviews were cut short – an issue which will be discussed in more detail below.

My second letter of motivation was met with a more positive response; however, this response did have some limitations stipulating who and how many people I was able to interview. After consulting ACAT's leadership, Dedekind permitted me to interview six (as opposed to the eight I had requested) key players which he then identified. Yet despite this breakthrough my access to ACAT felt tenuous and that at any moment the organisation could withdraw its offer of a handful of interviews. The stipulations coupled with the challenge of gaining permission to access ACAT made me cautious of appearing to be taking advantage of ACAT's staff members, for example, as a researcher I tried not to be too demanding in terms of time or asking for too many documents and additional sources which would create work for the participants.

The leadership's cautious reaction to a request to be studied did however prompt some critical questions in my mind such as "why are they so reluctant to be studied?" and "are they wary of an outsider's potentially critical or revealing questions?". It also made me look at myself and raise the question that if I had been more committed in terms of my faith as a Christian or if I had come from more of a religious background as opposed to an academic one, would my access to ACAT have been easier? I would later discover that despite having outlined my objectives in two letters of motivation this wariness appeared to be partly due to a rather narrow perception of researchers of FBOs: the perception being that researchers wishing to study FBOs generally have one of two objectives: the study is either part of the researcher's own spiritual journey to explore and expand their faith or it is part of an effort to criticise the FBO. Yet, even now I find it difficult to write about my interactions with ACAT as I do not want to appear to be complaining about the leadership's reluctant participation because in their eyes I could be seen as an academic sceptic or time-waster while the people of ACAT believe they are trying to achieve the Lord's mission with every minute the Lord gives them.

The process of accessing ACAT felt very personal - as if I, as a person, and not my research proposal, was being scrutinised. In hindsight, I recognise that other researchers who wish to study FBOs could quite possibly be confronted with similar challenges. For instance, other FBOs may share ACAT's scepticism of researchers' motivations or the tensions that exist between the academic researcher and the religious organisation may be exacerbated by the organisation's implicit need for the researcher to be a follower or to exhibit a willingness to learn more about the organisation's faith.

Interviews

The ACAT interviews demanded more of me as a person than any of the other research projects I have been involved in. As previously mentioned the leadership's apprehensive manner made me wary of asking too much of the interview participants. Ethically speaking I also found myself in an uncomfortable position as I felt that my access to the organisation was somewhat conditional - as if my access rested on the benevolence of the leadership. This made it difficult to be analytical in terms of my

interview questions in case I appeared overtly critical of the organisation and the leadership would decide to withdraw its permission.

During the interview process I was confronted by questions pertaining to my personal faith through both direct questions from participants and during discussions on Christianity and the faith-based elements of the programme. For instance, when discussing how the participants are given the opportunity to “take the Lord in to their hearts” during Orientation, an ACAT staff member touched on a very personal issue when he turned to me and gave me the chance to “open my heart to the Lord and accept Him in my life” then and there. This was a particularly difficult topic for me to discuss when I was trying to focus on an academic discussion and the conversation brought me to tears. I went from being the interviewer to being the subject who was facing very hard questions and was not feeling prepared enough to answer the questions.

The “professional detachment” that is generally associated with being an interviewer did not appear to be a recognized social construct in this context. Social science training tends to provide a “shield” for the investigator, which is an emotional barrier apart from anything else, and during these interviews my “shield” was stripped away. My academic, professional “persona” was not recognized as a valid one for engagement with the organisation. The inclusion of discussions on personal issues in the interviews is indicative of the manner in which the ACAT staff members approach and view not only ACAT’s programmes but also life in general. ACAT’s programme is a holistic one - there is no separation between personal faith and the programme. For instance, when talking to an ACAT staff member it becomes apparent that there is no distinction between Christian elements and the programme. The staff members look at the world through Christian tinted lenses - everything in life, for example, from business to illness is seen and understood in accordance with their faith.

Analysis

It is crucial that researchers become familiar with the FBO’s particular faith and the way in which its followers approach life so as to be able to understand how they see the world. Merely acknowledging that the deep faith experienced by ACAT’s staff is

all encompassing - every area of life is touched by one's faith - is not enough. If anything it complicates matters further. In this instance the ACAT interview participants query no other; they believe that God can and will move mountains. They do not question their faith. They make a choice to hand over their lives completely to God. They are not critical of their beliefs and I find it incredibly difficult to analyse and deconstruct something that someone feels and believes so implicitly and moreover so convincingly. These interview participants believe in their faith so inherently that as they live it you can see and understand how they believe it.

This introduces a crucial discussion point: we live in a world in which realities are constantly being contested. Who then has the right to say that what Christians or any religious believers see and say is the truth is in fact The Truth because in effect it is a question of "truths" and it is critical that researchers acknowledge that there is not one Truth but many Truths. As a researcher and an individual I may have a different version of the truth because I have my own reality and my own truth but then again who decrees that my truth is The Truth? This presents a terribly complex situation for a researcher, who possesses his/her own reality, when it comes to analysing this FBO and its staff member's set of the truth. This point is driven home further by an experience I had with one Christian FBO who refused to accept food and clothes packages for orphans because these items had been funded and organised by a Muslim FBO. So while the Christian FBO had its own version of truth it was accompanied by its own view of what and who is good or bad. The FBO did not see any good in the other FBO and therefore the assistance was forfeited.

To further complicate matters this study approaches and later analyses this FBO and its accompanying Christian positions with a conceptual framework that has been devised by secular social science. Again, there is the question of The Truth - ACAT's sacred truth versus Putnam's secular truth (and all the other truths in between). The tension between these two sides is rooted in an in-depth debate surrounding the question of whether development should follow a secular or a sacred route. While this debate is sure to spark some fascinating questions it is beyond the scope of this paper. This would however make an interesting topic for a future paper. The question of "whose truth is THE Truth? And in turn the question "is anyone's truth is THE

Truth?” thus pose very real challenges for researchers both theoretically and methodologically.

In addition, as a social science researcher, I try to remain objective yet I am faced with the serious challenge of analysing an organisation which has been presented and described to me in an overtly subjective manner. The challenge of remaining objective is exacerbated by questions surrounding my own spiritual issues. This study has prompted me to address questions such as “am I a Christian and if so then by whose definition am I a Christian?”; “do I relate to ACAT’s mission and its staff member’s beliefs?”; “do I admire the strength of their faith and their commitment?” and “do I see value in the work that they are doing?”. I have had to acknowledge that I found that while I am not a Christian in ACAT’s sense, I did recognise that I have my own set of Christian beliefs. From a research perspective I discovered that, as hard as it may be, in future projects, I would need to try and remove my personal feelings from the research process. However, given this emotive, subjective topic, I think that most researchers would find themselves thinking about their own beliefs and having to keep them in mind when conducting the research and drawing conclusions.

Whose truth is “The Truth”?

It is critical for me as a person and a researcher that not only I but also others recognise the sincerity and commitment of ACAT’s staff. The genuineness and strength of faith with which the interview participants openly and unashamedly exhibit their belief in ACAT, and the way they carry out its mission in God’s name does make it difficult to criticise the organisation and its work. This is something I have had to address and be conscious of during the course of this research project. I have had to come to terms with the fact that it is possible that while people may have the best intentions to help others they may unwittingly be having a negative effect on others - I have had to keep this notion and the questions of “whose truth is THE truth?” and “is anyone’s truth THE truth?” firmly in mind to ensure that this study maintains a critical edge.

Chapter Five: Contextualising the case study

ACAT was founded in 1979 as a Christian development non-profit Trust. The primary founder, Mr. Von van der Linde, a committed Christian, was considering emigrating to Germany due to the increasing political unrest and violence in South Africa, when he received what he believed to be a calling from God to stay in South Africa and to assist in addressing the problems facing the country (Van der Linde, 2008:2). After much prayer and meditation van der Linde, who at the time was employed as a salesman in Mercedes Benz's Natal agricultural division, decided to establish an organisation that would serve as a vehicle for God not only to bless but also "to win the hearts" of poor rural Africans (McCrystal, 2005:2-3). In an attempt to fulfil this calling, van der Linde approached a group of Christian businessmen to set about establishing a Christian organisation that would focus on alleviating poverty in rural areas of the former KwaZulu (Van der Linde, 2008:2). Hence ACAT was established and a legal non-profit Trust Deed was signed and registered by the Master of the Supreme Court (McCrystal, 2005:8).

At the outset it was envisaged that ACAT would begin operations in its home base area of KwaZulu before expanding into surrounding areas (McCrystal, 2005:18). The target group comprised rural poor people who practised subsistence farming of minimal crops and whose livestock fed off veld that was continually overgrazed (McCrystal, 2005:18). ACAT's initial poverty alleviation strategy centred on the establishment of savings clubs that would assist people to organise themselves as well as their resources to achieve certain targets. If these targets were achieved, the quality of life of the participants, as well as their families and the community at large would improve (ACAT, 2007a:3). This strategy was adapted from a savings club project, which had been initiated by a Roman Catholic Priest, Brother Waddilove in Rhodesia (Zimbabwe) in an attempt to assist and encourage rural people to set aside a percentage of their income for the improvement of their standard of living and quality of life (McCrystal, 2005:6).

ACAT's founding trustees incorporated five principles within the savings club programme. Drawing on research findings and personal experiences the trustees came to the conclusion that development initiatives "for" the people had high failure rates.

These schemes, notably the groundnut schemes in Tanganyika and the egg schemes in West Africa, did not allow for the target group, the intended beneficiaries, to assume any form of responsibility or any sense of ownership of the scheme. The first key principle was “Do things *with* the people, not *for* them” (McCrystal, 2005:39). In terms of the second principle the trustees recognised that rural Southern Africans have a communal or group social orientation. Their identities stem from their membership to a group. This prompted the use of the group structure in ACAT’s scheme (McCrystal, 2005:40). Thirdly, they maintained that those people who are poor and hungry are not going to be more likely than the non-poor to welcome the Gospel of Jesus Christ. The trustees felt that the rural people would be more concerned with issues of poverty and starvation thus they asserted that it was imperative to assist this group of rural people, the majority of which experience poverty, to exit the poverty cycle. ACAT’s focus was directed on achieving this objective (McCrystal, 2005:40). Fourthly, the trustees maintained that handouts do not offer a sustainable means of poverty alleviation. They noted that the only time handouts might prove useful is in times of crisis such as droughts or floods. Instead it was important to provide people with skills and instruments to support themselves and to motivate people to assume responsibility for their own well-being (McCrystal, 2005:40). Finally, the fifth principle focused on the need to encourage people to save. This highlighted the fact that rural people were not necessarily a part of the mainstream economy. They generally only produced enough food to meet their subsistence needs as opposed to producing a surplus. They did not enter into production, exchange and an income-generating economic system. The promotion of savings therefore appeared to be an appropriate starting point before encouraging the reinvestment of saved monies in order to reach a higher level of production (McCrystal, 2005:41).

In order for ACAT to initiate the savings clubs strategy, it was necessary to secure funding. The start-up capital for ACAT’s establishment had come from van der Linde’s personal savings and pension fund; however, ACAT soon began receiving funding from the KwaZulu Development Corporation (KDC). In accordance with the national government’s separate development programme the homeland government of KwaZulu was formed (McCrystal, 2005:9). McCrystal, one ACAT’s founding trustees, had been a member of a team responsible for providing advice to Lesotho to encourage economic development in the country. With the team’s assistance Lesotho

reorganised its tax system and formed the Lesotho National Development Programme (McCrystal, 2005:10). McCrystal met with the Chief Minister of KwaZulu, Chief Mangosutho Buthelezi, to discuss the possibility of establishing a development corporation for KwaZulu. McCrystal argued that regardless of the political system, KwaZulu inhabitants were in need of economic development. He advised Buthelezi to accept the financial support being offered by the government to finance a development corporation. Buthelezi accepted the funding and went on to create the KwaZulu Development Corporation complete with its own board of directors led by McCrystal who became the KDC's first Chairman in 1978 (McCrystal, 2005:10-11).

McCrystal prompted the KDC board to accept and support ACAT's savings club programme. In the face of some initial scepticism the KDC allocated ACAT R11 000 per month for a period of nine months (McCrystal, 2005:11). The KDC and ACAT went on to work together for a number of years with the KDC financing many of ACAT's initial training materials (McCrystal, 2005:11).

Having adapted Waddilove's savings club strategy and secured funding, ACAT established the first savings club in the Northern Natal district of Eshowe. Mr. Lief Dahl, an ACAT trustee, farmed in this district and ACAT's leadership decided to implement the first savings clubs in this area with Dahl's assistance. Club members were taught how to prepare the land as well as how to plant maize using recognised modern farming methods (McCrystal, 2005:11). Van der Linde had investigated appropriate practices for subsistence rural areas in KwaZulu. Research indicated that ACAT's main challenge would lie in the task of assisting rural people to make the first transition from purely subsistence agriculture to food self sufficiency; and the second, from food self sufficiency to surplus production in an attempt to create an income to satisfy family needs (McCrystal, 2005:11-12).

Once the fields were prepared the Eshowe club members planted maize. During ACAT's first summer season (1979 to 1980) KwaZulu and Natal experienced a severe drought. Fortunately, Eshowe received rain during four important points in the planting process. Given that this was ACAT's first initiative, had they not received rain it is possible that ACAT would have floundered and possibly failed. However, this was not the case and the club members enjoyed their yields. As a result ACAT

was acknowledged as an organisation that worked in the interest of rural Africans. According to McCrystal “this was how ACAT came into being: God working his purpose for the poor through a group of men willing to obey His call” (McCrystal, 2005:13).

After the success experienced in the Eshowe area ACAT expanded its operation to introduce savings clubs in the Natal midlands as well as southern parts of Natal. Apart from being taught new farming methods, members were invited to attend a range of training courses. The themes of the courses ranged from adult literacy/education, water/sanitation and health projects, to entrepreneurial training, club management, book-keeping, agriculture training, self help projects such as bee keeping, sewing, candle making, leather craft, woodworking, livestock and poultry recruiting (Helwel Trust, 2006:4; ACAT, 1989:2; ACAT, 1994:1). Club leaders generally attended courses at training centres before returning to clubs to teach members these skills. ACAT trainers also held mobile training courses within the communities (ACAT, 1989: 2; ACAT, 1994:1). As the political violence in rural communities escalated during the latter part of the 1980s and the early 1990s ACAT found that it was increasingly difficult to operate normally in certain particularly violent areas of KwaZulu and Ciskei. During these turbulent times ACAT held training courses at relatively accessible training centres elsewhere (ACAT, 1991:1). ACAT’s leaders maintained that it was important that its work continued to focus on “assisting people to improve the quality of their lives, spiritually, mentally and physically thereby giving them hope” during difficult times (ACAT, 1991:1).

Apart from providing training, ACAT also offered club members and the communities at large the opportunity to buy “package programmes”, for example, for planting potatoes. ACAT assembled and then distributed the packages. Club and community members, who were often unable to locate agricultural products, such as seeds and fertilisers, and non-agricultural products, such as wire for fence making or wax for candle making, in the remote rural areas in which they lived, could now not only learn a skill or planting technique but they could also order the various different packages from ACAT who would then deliver the packages as well as non-agricultural inputs to the communities (McCrystal, 2005:50).

ACAT's leaders felt that if ACAT were to encourage poor people who were living at a subsistence level to save then it would need to provide them with a sound reason or goal to save for. If a family was able to grow sufficient produce to live off then they could save any other forms of income, such as old age pensions, in order to buy seeds or packages. The family would then have the opportunity to increase their produce output so that they could sell surplus produce at a profit which could then be saved (McCrystal, 2005:41). ACAT's leaders were of the opinion that if people recognised the connection between suspended or deferred consumption, saving, investment, increased production, and employing surplus produce to increase one's wealth, then people could transcend the gap between working to survive and working to live better; thus moving from a subsistence based lifestyle to one in which participants contributed to and occupied a position within the larger mainstream economy (McCrystal, 2005:41).

In 1999, twenty years after ACAT's inception, a survey of the savings clubs was conducted. It was calculated that since ACAT's establishment in 1979, 800 savings clubs in KZN alone had had development services from ACAT (ACAT, 1999:3). Over the years ACAT expanded to establish clubs and form new ACAT Trusts in the former Ciskei (ACAT-Ciskei in 1983) and Transkei (ACAT-Transkei in 1980) as well as in Swaziland (ACAT-Swaziland in 1982). ACAT-Ciskei and Transkei were later encompassed into ACAT-Eastern Cape. At one stage, ACAT calculated that there were more than 2000 clubs in the Eastern Cape, KZN and Swaziland, while there were approximately 40 000 club members (McCrystal, 2005:23,51).

The environment and circumstances in which ACAT as well as the savings clubs strategy emerged were shrouded in negativity; particularly following the aftermath of the Soweto riots in 1976. The national government had become increasingly repressive as detention without trial became a common occurrence (McCrystal, 2005:9). The establishment of ACAT, an organisation with no financial backing, that hoped to improve the lives of rural poor in Africa, who were overwhelmingly from the oppressed non-white racial groups, during such a tumultuous period of South Africa's history was regarded as "a major act of faith especially on the part of Von and Imgard [Van der Linde's wife]" (McCrystal, 2005:9).

ACAT was not the only organisation or group that was trying to “bring the Kingdom of God closer to the lives of the South African people in those dark days” (McCrystal, 2005:13). There was a large Christian movement present in South Africa at the time. Initiatives and projects were being implemented and played out at various different levels of communities. Across South Africa collections of Christians congregated not only to pray with but also to pray for government ministers (McCrystal, 2005:13). Groups of Christians participated in large meetings some of which included the 1976 Pan African Christian Leadership Assembly (PACLA) in Nairobi, Kenya; the Renewal Conference in Johannesburg in 1977; as well as the 1979 South African Christian Leadership Assembly (SACLA) in Pretoria (McCrystal, 2005:14). McCrystal notes that it was at these meetings and others that God was said to be “laying the foundation for the relatively peaceful transition to majority rule in 1994” (McCrystal, 2005:14). He adds that the transfer of power did not occur in a vacuum but was preceded by extensive “work, tears, suffering” and in particular “prayer” (McCrystal, 2005:14).

ACAT did not play a political role as such. ACAT’s policy was in fact to avoid getting involved in politics. The leadership maintained that its objective was to focus on the rural poor - a section of the population that had been neglected by the national government - and it was adamant that it would not stray from its objective (McCrystal, 2005:14). ACAT tried to assist people to meet all their needs, be they spiritual, mental and physical needs; to such a degree that McCrystal asserts that it was through this way that ACAT contributed to peace and progress in South Africa. He maintains that ACAT indirectly had political implications that were positive (McCrystal, 2005:14).

ACAT emerged in a South African context that was not only racially and ethnically conscious but it also operated in this context too. During the course of the 1980s numerous violent acts were committed on the part of government as well as anti-government movements (McCrystal, 2005:32-3). Organisations and people, such as ACAT and its founding Trustees, who were endeavouring to overcome the divisive culture, legislated in South Africa, found it to be an extremely difficult period. ACAT was made up of both black and white people who were attempting to establish and operate an organisation which addressed the needs of rural black people who had been

neglected and marginalised by the government (McCrystal, 2005:33). Trustees often found their actions and motives being misinterpreted or interrogated. In a number of instances van der Linde, acting in his capacity as Executive Director of ACAT, was called to appear before the KwaZulu government in Ulundi in order to defend ACAT's approaches and position (McCrystal, 2005:33).

McCrystal notes that ACAT was trying to achieve an objective that flew in the face of strong sets of values and opinions which dominated certain sectors. ACAT's target group was rural, black people. One view that was commonly articulated by various economists and anti-apartheid groups was that natural economic forces would ultimately prompt an influx of rural people to urban areas in a similar manner to the United Kingdom and Europe's experiences during the industrial revolution. The argument was that ACAT's attempts to develop rural black sectors were tantamount to pouring money, time and effort down the drain (McCrystal, 2005:33). In addition, the prevailing government was supporting the development of these areas, yet the opposition parties argued that this was merely a political tactic. To some degree ACAT became "tarred with the same brush" as the prevailing government (McCrystal, 2005:33).

Moreover, ACAT had adopted a definite apolitical standpoint. At this emotionally tense time in South Africa's history it was necessary for ACAT, which had chosen a tricky path down a potentially thorny and dangerous lane, to watch its step. ACAT found itself in a precarious position: on the one hand, to a large extent it was reliant upon the government's goodwill and support, yet on the other hand, it was attempting to assist and in doing so work with people - a large number of whom stood firmly in opposition to the government's policies and programmes (McCrystal, 2005:33). To further complicate matters - in the midst of all this the homeland governments also had to tread lightly down their own difficult path. Homeland governments' main function was to administer the rural areas in which ACAT had established its programmes. It was therefore necessary for ACAT to foster and maintain good working relations with the central and homeland governments (McCrystal, 2005:33-4).

It is also important to make mention of the positions and opinions of the rural leadership and people. In general these people supported ACAT however, ACAT's definite Christian position aroused some suspicion due to the presence of ancestor worship within these areas. The rituals that comprise the ancestor worship are embedded in rural societies (McCrystal, 2005:34). In the event that people commit themselves to Christianity they are expected to renounce these rituals and practices yet as a result of social pressures and age-old traditions and beliefs they find it difficult to forsake this way of life. In these situations McCrystal observes that there is an ambivalence present that has the potential to bring these people's values into conflict with those expounded by ACAT (McCrystal, 2005:34).

ACAT's leadership attributed ACAT's ability to continue its work, in the face of suspicions and violence, to "the Lord's protection and providence" (McCrystal, 2005:34-5). If the violence and unrest escalated to levels that were deemed to be too dangerous then ACAT would remove its staff and stop its activities in those areas. ACAT would then bide its time, until the unrest settled and the organisation was invited to return to the area. ACAT withdrew its staff on a number of occasions but returned when the situation had stabilised (McCrystal, 2005:35).

The political situation in South Africa reached a turning point in 1992 when two thirds of the enfranchised electorate voted in support of a transition to a new political dispensation. Following the 1994 national elections, which were accompanied by the introduction of a new national government, the homelands ceased to exist as a separate entity as they were incorporated back into South Africa (McCrystal, 2005:37). Prior to 1994, the South African central government provided ACAT with a large percentage of its funding. McCrystal notes that when one compares the amount of assistance and support that ACAT has received from the post-1994 government departments and agencies to the previous dispensation's support, the support from the post-1994 government "has been negligible" (McCrystal, 2008:115). At present ACAT receives no funding or support from the South African government. Nor does ACAT have any formal or informal partnerships with the state (Morgan, 2008:17). McCrystal highlights that since 1994 ACAT has had to look to international donors for the majority of its funding as it has become very difficult to source local funding for rural development initiatives (McCrystal, 2005:116). Morgan points out that it

appears that ACAT's position as a Christian organisation has meant that it has not been "a preferred NGO to work with" (Morgan, 2008:17). Van der Linde and McCrystal contend that ACAT has never compromised its Christian commitment as an FBO in order to qualify for funding (Van der Linde, 2008: 17; McCrystal, 2005:112).

During the mid 1990s ACAT not only found it necessary to review its available funding but the organisation also conducted a review of community needs, programme evaluations, staff skills and resources (Helwel Trust, 2006:4). The evaluation identified weak areas in the savings club model. This warranted the introduction of a new development approach. The year 2000 saw ACAT's new approach take the form of three specialised programmes: Entrepreneurial Development Programme (EDP), Sustainable Agriculture Programme (SAP), and Adult Basic Education Training (ABET).¹⁴ Each of these will briefly be examined below:

The first of these programmes, the EDP, encourages participants to improve their capacity, economic activity and food security (ACAT, 2006:11). ACAT's Basic Life Skills course includes training and skills development pertaining to business skills and capacity building. The EDP participants are provided with guidance on how to start and run their own business ventures; for example, participants are taught book-keeping skills and are advised to conduct surveys to ascertain whether there is a market for their product or service (Sihle Ndlela, 2008:9).

The objective of the second programme, the SAP, is to assist disadvantaged small farmers to adopt sustainable agriculture as a strategy to rise above poverty in a manner which is not only sustainable but will also encourage the farmers to help others to follow suit (ACAT, 2006:11). The SAP promotes the concept of small agribusinesses in the hope that the SAP farmers will be able to supplement their incomes. This programme advances food production that is viable and inexpensive to assist rural farmers and their families to raise their standard of living and quality of life (Geneva Global Incorporated (GGI), 2005:6).

¹⁴ For more information on these programmes please see Appendix C.

In terms of the third programme, the ABET, ACAT currently has two ABET centres operating as part of a pilot study. One is located in Mnambithi and the other in Umzumbe. Learners, who are illiterate, begin with a Zulu Orientation course and ACAT's Basic Life Skills course. After having completed these two courses, learners proceed to ABET Level 1 which comprises Zulu and English languages, Numeracy, Management and Entrepreneurship, Applied Agriculture and Food and Textile Technology (ACAT, 2006:22). On passing Level 1, learners can then continue with the next level of the ABET series.

In response to the large number of requests from individuals, institutions and NGOs from South Africa and the rest of Africa for ACAT to implement its development programme (the EDP, SAP and ABET) in their area ACAT established the Partnership Programme (Dedekind, 2008:9). Due to its limited capacity ACAT is unable to start programmes in new areas outside of KZN and Swaziland therefore it offers to mentor interested parties and to provide training and guidance on how to establish development programmes (ACAT, 2007a:9). Dedekind explains that this programme is in effect a network as ACAT has formed both informal and formal partnerships with organisations from Uganda, Liberia, Nigeria and other areas of Southern Africa. These organisations attend ACAT courses and then employ ACAT's methods and practices within their own development context (ACAT, 2007a: 9).

ACAT has subsequently integrated the SAP, EDP and ABET programmes with the more recent addition of the Partnership Programme under the umbrella of its poverty alleviation approach: the Integrated Livelihoods Approach (ILA). Previously the ABET, SAP and EDP operated fairly separately under the supervision of Programme Leaders. In 2006 the decision was made to implement a general development programme for all participants to complete prior to commencing the SAP or EDP. This led to the introduction of the Integrated Livelihood Approach (ILA) which is rooted in the notion that if sustainable development is to occur it is necessary to address the "total livelihood of a person" in an integrated manner (ACAT, 2007a:4). The ILA provides the foundation of ACAT's poverty alleviation programme. After having been exposed to the fundamentals contained in the ILA the target group is then able to specialise in either entrepreneurship or sustainable agriculture with the

assistance of the SAP and EDP programmes. The ILA's mission "is to use business enterprise to enable rural families to overcome poverty and improve their quality of life in a sustainable way and to influence others to do the same" (ACAT, 2007b:1). ILA focuses on six key areas: business; spiritual growth; human capacity; home food gardens; addressing causes of poverty; health and HIV" (ACAT, 2007b:1).¹⁵

ACAT has one or more of its programmes in 19 areas; each of which comprise a 30 km radius area. During the latter part of the 1990s the HSRC identified poverty pockets in KZN which exhibited the highest levels of need (Morgan, 2008:2). ACAT approached the leadership within these areas. The large majority of these poverty pockets are situated on tribal land. ACAT met with the traditional leaders of these areas in order to identify the poorest communities within these areas (Morgan, 2008:2). ACAT has also been invited to implement its programme by leaders from neighbouring areas who have witnessed or heard about ACAT's work (Morgan, 2008:2). In addition, due to the large number of poor people in rural KZN ACAT finds that it does not need to rely on research to find new target areas. It merely expands its operations to include adjacent 30km radius areas (Dedekind, 2008:18).

The current 19 areas encompass the large majority of KZN's magisterial districts. As this study is concerned with FBOs in KZN it will ignore ACAT activities in Eastern Cape and Swaziland. ACAT's website states that "Over 70% of South Africa's poor live in rural areas where they are faced with poverty, resource degradation, malnutrition, unemployment and disease" (ACAT, 2008a). In terms of land area and population size, KZN is a large province. Firstly, this province comprises extensive rural areas, many of which were formally known as KZN homelands. Secondly, this province is home to a substantial rural population. Approximately 37.6% of KZN's population is involved in agricultural activities. Yet a substantial number of households find that these activities do not provide a significant source of income. Only 15.3% of this population is categorised as "living in strictly defined agricultural households" (Provincial Decision-Making Enabling Project (PROVIDE), 2005:19). Furthermore, the per income capita numbers for KZN are on par with the other South African provinces, however the distribution of this income appears to be less equal

¹⁵ For more information on the ILA please see Appendix C.

when compared to the rest of the country. For instance, when comparing the African and Coloured agricultural households with African and Coloured non-agricultural households, the agricultural households find themselves in a much more serious situation. Studies have also revealed that unemployment levels are highest amongst African's living in the former homeland areas (PROVIDE, 2005:20).

In addition, KZN has the highest percentage of sexually transmitted diseases in the country. HIV/AIDS is having a negative effect on nutrition, food security, agricultural productions and rural communities at large (ACAT, 2006:3). Food security is affected on a variety of levels such as decreases in land cultivation, reduction in yields, decreases in livestock production as well as increased expenses stemming from medical expenses and other costs (ACAT, 2006:3).

The province of KZN has high poverty rates particularly in the former homeland areas. Studies have indicated that Africans living in agricultural households in rural areas appear to be the worst affected (PROVIDE, 2005:20). While each of the areas in which ACAT operates faces its own set of local issues, the poverty situation in the rural areas of KZN serviced by ACAT, is serious.

Having historically, geographically and socially contextualised ACAT this research will continue to examine the functioning of its poverty alleviation strategy in order to investigate this programme in light of Putnam's assertions regarding FBO's production of social capital.

Chapter Six: Presentation and analysis of results pertaining to ACAT's poverty alleviation programme

This chapter presents the case study of ACAT and its poverty alleviation programme. It examines the findings in relation to Putnam's theory of social capital as discussed in chapter three. It attempts to ascertain the type of social capital produced by this FBO as well as the impact that this social capital may have on the poor. It also discusses whether ACAT's programme may provide the answer to poverty alleviation in South Africa.

ACAT's sustainable development structure

ACAT's poverty alleviation strategy comprises the four previously mentioned programmes, the ILA, and the construction of sustainable development structures. The sustainable development structure forms the basis of ACAT's poverty alleviation programme. In order to understand how this structure is constructed and how it functions it is useful to envisage a multi-layered triangle.¹⁶ Once ACAT has been invited into an area, the sustainable development process begins at the bottom of the triangle with the formation of Groups of Five (G5) which are mixed groups of five people.¹⁷ ACAT's target group is the Poorest of the Poor (POP) who are identified through a community participation exercise. The POP are invited to join the development programme and to ask other members of the community to form a G5 (Morgan, 2008:10). Not all G5 members are necessarily the POP - two or three may have been identified as such and then brought in neighbours, friends or community members to establish a G5. Hence 50% of ACAT's participants tend to be the POP while the other 50% are generally the Better-Off Poor (BOP) (Morgan, 2008:10).

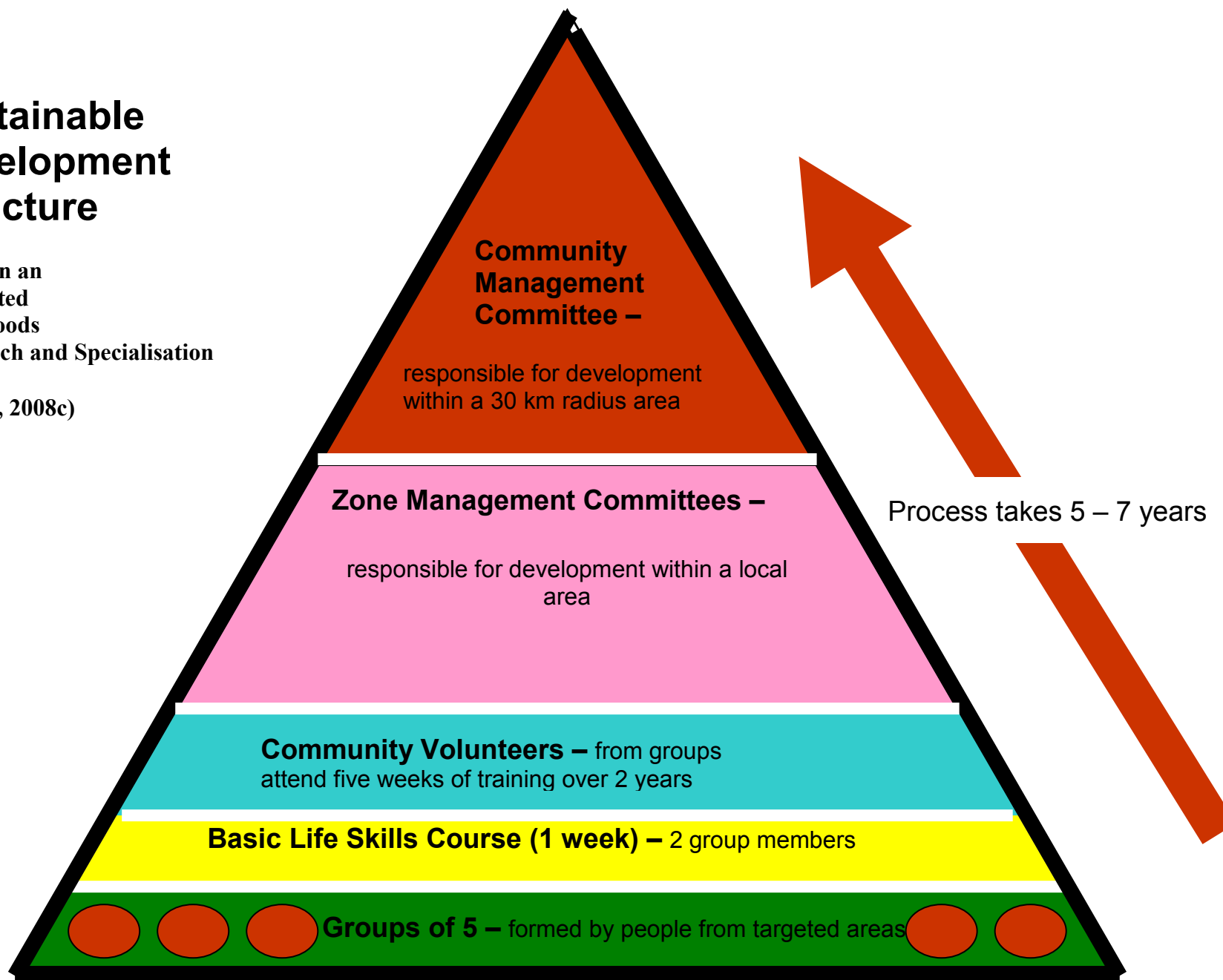
¹⁶ For a diagram of this triangle (Sustainable Development Structure) please see the following page.

¹⁷ Participants are mixed in terms of gender and age. They vary in terms of the level of skills, education and economic situation.

Sustainable Development Structure

based on an
Integrated
Livelihoods
Approach and Specialisation

(ACAT, 2008c)



New G5s select two members to attend a five-day Basic Life Skills Training Orientation at ACAT's Training Centre.¹⁸ The two members are expected to return to their G5 group and share the Basic Life Skills information (Sihle Ndlela, 2008:9). ACAT offers small loans to G5s to help entrepreneurs to start a business. Each group member is given the chance to use the loaned money, as a "start up" loan to generate income, for a period of two weeks at the end of which, the money is passed on to the next member in line. The cycle is repeated twice. Group members are expected to make a commitment to support other members if any of them are not able to make a payment (ACAT, 2007b:3).¹⁹

Moving upwards to the next layer of the triangle one finds Community Volunteers (CV). ACAT Extension Officers and G5 members identify members who they feel will be capable and willing to assist them. These volunteers are called Community Volunteers (CV) (Morgan, 2008:8). The CVs receive additional training at the ACAT Training Centre. CVs attend five one-week training courses over a two-year period. The objective of the training is to capacitate the CVs to provide assistance and support to G5s (ACAT, 2007b:1). The CVs are expected to return to the community and share the knowledge they have gained from the training with the G5s in their area. Each CV works with six to ten groups (Morgan, 2008:8).

Extension Officers (EOs) are present at every level of the development structure. EOs provide the link between the G5 groups and the Programme Leaders and ACAT staff members. Each 30km area is assigned an EO who assists individuals to form G5s. ACAT limits the number of new G5 groups an EO is allowed to establish a year, to ten, thus each EO works with 50 new members a year (Morgan, 2008:10). EOs are employed by ACAT and perform a number of functions such as assisting in the formation of groups; conducting Baseline Surveys; visiting groups and attending meetings; assisting with book-keeping; reporting group activities to ACAT; conducting training workshops; providing general assistance, advice and support to group members; as well as facilitating cross visits of G5 groups from different areas and assisting with problem solving of not only agricultural and business issues but

¹⁸ For more information on the Basic Life Skills Training Orientation please see Appendix D.

¹⁹ For more information on ACAT's loan system and requirements please see Appendix E.

also general ones such as health (Sihle Ndlela, 2008:2-3,11; Elmon Ndlela, 2008:1-2).²⁰

CVs and EOs assist G5s to establish a Zone Management Committee (ZMC) which is the next layer up in the sustainable development triangle. Each ACAT area is divided into zones with each zone containing a number of G5 groups and CVs (Elmon Ndlela, 2008:5). The objective of the ZMC, which is made up of representatives from the G5 groups within that zone, is to address the issue of development within the local area comprising the zone and to assist and oversee the groups in the zone. In short, a ZMC is “a network of groups who are situated in a particular zone” (Elmon Ndlela, 2008:5). One 30km radius area will therefore have a number of different ZMCs.

The ZMCs are then represented by an overarching Community Management Committee (CMC) which is established in the 30 km radius area serviced by ACAT (ACAT, 2006:4). The CMC forms the apex of the development triangle. According to ACAT the CMCs are sustainable community structures which form “the core of ACAT’s exit strategy, the purpose of which is to empower participants to assume responsibility for their own development and that of other members of the community” (ACAT, 2006:4). The CMC will be capacitated to operate the ILA, SAP and EDP so that when ACAT exits the area, the CMC will be able to assume the responsibilities of running the programme. For instance, CMC representatives receive training in governance and management skills (ACAT, 2006:4-5). ACAT’s goal is to reach a stage in the development process where the EO will be able to work with an increasing number of areas as the daily responsibilities and functions will be conducted by the CMC, ZMCs, CVs and G5s. ACAT emphasises that it will not withdraw itself and its services from an area completely after a certain period of time. Instead, it will limit its services to certain functions that would include training at ACAT’s Training Centre, field workshops and providing assistance where necessary to the community structures (ACAT, 2006:4). ACAT envisages that the whole process of building this sustainable development structure – from forming G5s to the handing over of day-to-day functioning to the CMCs should take five to seven years (Dedekind, 2008:13).

²⁰ For more information on the Baseline Survey please see Appendix F.

ACAT's director and programme leaders stress that ACAT embodies a strong Christian commitment which is integrated into this triangular development structure, for instance, approximately 46% of the training time during the Basic Life Skills Training Orientation is spent on the participants' spiritual development (ACAT, 2008d).²¹ Dedekind explains that ACAT's mission is to give effect (within the development context) to Acts 3 Verses 3 to 7, where Peter says to the Beggar "Silver or Gold I do not have but what I do have, I do give you in the name of Jesus Christ of Nazareth, stand up and walk. And taking him by the right hand he helped him up" (Dedekind, 2008:8). Dedekind believes that God, that is, Jesus, is responsible for enabling ACAT to bring about change in the lives of its participants (Dedekind, 2008:8). ACAT's founder, Von van der Linde, notes that participants are encouraged to participate in ACAT's poverty alleviation programme in the hope that they will not only learn how to meet their material needs but they will address their spiritual needs too and in so doing "find the Lord" and convert to Christianity. Van der Linde hopes that participants will then feel that "because of what your Christianity has done for you, you want your neighbour to have the same motivations to help their fellow needy neighbours in community and from that point of view we feel that the people who have been blessed and who have been helped we encourage them to have a relationship with Jesus Christ so they can have the same empathy for their fellow needy neighbours in their community" (Van der Linde, 2008:4). McCrystal adds that ACAT has been called to help rural people to find true freedom - in order to achieve this one needs to address their need for food as well as their need for "the Bread of Life - Jesus Christ" (McCrystal, 2005:61). ACAT attempts to show people the love of God and to provide non-Christians with the chance to be exposed to the Gospel. He continues by noting "the choice is always theirs. ACAT continues to work with people regardless of their choices. They are also free to disassociate from ACAT's Christian standpoint by withdrawing immediately the specifically Christian teaching starts" (McCrystal, 2005:61).

ACAT establishes the sustainable development structures in areas in which traditional cultures and practices such as ancestor worship are prevalent. Morgan

²¹ For the complete Weekly Orientation Timetable for 2008 please see Appendix G.

explains that cultures have positive aspects in terms of the programme yet there are instances where a person's culture may divert from a Godly or Christian norm (Morgan, 2008:14). For example, ACAT encourages members to live a Christian lifestyle, however, the scriptures only refer to one mediator: Jesus Christ. The Zulu tradition contends that there are a number of different mediators or ancestors (Morgan, 2008:14). Dedekind explains that there are numerous scriptures in which God stands in opposition to practices of ancestral veneration or ancestor worship (Dedekind, 2008:25). He underlines that ACAT does not wish to destroy cultures - it approaches the cultural question by assisting members to understand God's view of a Christian lifestyle. ACAT tells participants that if there is anything in a person's culture which is in conflict with the manner in which God would like people to live then, according to ACAT, ACAT encourages members to decide whether they would like to continue to live with it or not. They explain that if people do not choose the "God culture" then it is between that person and God (Dedekind, 2008:25).

A few questions emerge when examining the triangular development structure discussed above. Firstly, the POP are identified using a community participation exercise (a wealth ranking process). Clinics, schools, churches as well as any other NGOs who may be working in an area are each requested to compile a list of the poor people in the community (Morgan, 2008:2). ACAT then invites the community to a meeting where they are given the opportunity to offer names of poor people and also to comment on whether the people who appear on the lists are in fact poor. ACAT presents the final list of poor community members to the community and announces to the community "those are the people who we are going to start working with - the people that you have identified" (Morgan, 2008:3). However, would poor members of the community take kindly to being singled out by others as being "poor" and having their situations scrutinised by others? Could this "selection" method not cause tension between the poor and non-poor members of the community?

When looking at the training processes within the structure another question emerges. ACAT trains two members from each new G5 group and then expects those members to teach the skills to their fellow members. But what stops those two members from using those skills to better their own situations and refraining from passing them on to the other members? Or even leaving the group altogether once they have benefited

from the training? Dedekind notes that the CVs form “a critical component of the sustainability of the organisation at the grassroots level” (Dedekind, 2008:13) yet the same problem explained above could arise. That is, the CVs attend five intensive training programmes over a two-year period. They are also expected to return to their areas to hold workshops and training sessions to share this knowledge with the G5 groups. So what stops the CVs from completing the training and using the skills garnered to find a job outside of the community? ACAT would then have to begin training another CV for that area at the risk of that CV also leaving the community once they are capacitated.

Other issues surrounding the question of the sustainability and viability of this structure also emerge. ACAT’s exit strategy rests on the successful operation of the CMC. Yet in practice what will happen when ACAT exits the community? How will the CMCs be sustainable? For instance, it will be a long, difficult road to travel to get to a point where ACAT can allow CMCs to control money for loans. Donors have very strict auditing requirements and it is unlikely they will allow an organisation to hand control of large sums of capital to the CMCs. It also does not seem to be feasible to expect the CMCs to generate capital for loans or to find their own donors. Firstly, members would still have their own businesses to run and families to support. They would have to worry about saving money for personal use as well as putting aside extra money for the CMC loans. Secondly, it may prove difficult for rural grassroots structures to find donors and then meet the requirements for funds. In addition, ACAT’s educated and capacitated staff members are exceptionally busy running the poverty alleviation programme. How then will the CMC members, who granted have received some form of training from ACAT, handle their own businesses, run the CMC as well as cope with requests for new G5s in the area and training? This may require full time CMC staff however then it would be up to the CMC to pay for the staff and this may not be feasible.

Moreover, in terms of the strong Christian component in ACAT and the programme, how easy would it be for those participants who are not interested in the Christian faith to withdraw themselves from the Christian elements of the programme? For instance, the Spiritual Development Programme comprises 46% of the Basic Life Skills Training Orientation (ACAT, 2008d). Poor people are often desperate for a way

out of their dire situations. They could see ACAT as a way out and thus feel that they could risk this opportunity if they did not appear to subscribe to the Christian faith or participate in the Spiritual Development Programme. Further, ACAT's entire structure in essence embodies principles of the Christian faith. Would it not be difficult for those people who adhere to their traditional practices, such as Sangomas (traditional healers), to reconcile the Christian elements of the programme and their own beliefs? This could possibly hinder their participation in the programme.

ACAT and social capital

While the questions raised above are noteworthy they do not appear to pose a significant threat to the overall functioning of the programme or to the purpose of this study. The study therefore continues by drawing on the theory of social capital advanced by Putnam in order to analyse if and how the structure described above produces social capital and the type of social capital produced.

Social capital refers to “connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them” (Putnam, 2000:19). When individuals connect with each other more they are said to increase their trust in one another. They find themselves in a better situation due to the strong collective element of social capital. Connections between individuals constitute the social and economic systems in society, therefore the functioning of both systems is said to improve (Gittell and Vidal, 1998:15). Putnam thus maintains that social capital, as it appears in the form of norms and networks, is a prerequisite for effective government and economic development. This study will therefore identify if and how ACAT's sustainable development structures and processes, which form the basis of its poverty alleviation programme, build the social ties, networks and norms that constitute social capital.

“ACAT's mission is to design and implement training and mentoring programmes aimed at equipping people to be sustainable in every aspect of their lives and to influence, motivate and assist others to achieve the same” (Dedekind, 2008:7). ACAT's mission statement illustrates that ACAT focuses on relationship building by encouraging members not only to pass on their skills to others but also to use them to

help others (Dedekind, 2008:8). It implies that the FBO attempts to motivate capacitated members to reach out and assist members and non-members alike. Dedekind highlights that the scriptural base of the mission statement stems from the notion that helping others is at the centre of the Christian Gospel - he notes that Jesus lived “not for himself but for others” (Dedekind, 2008:8).

This sustainable development structure begins with the formation of G5 groups. The groups are the main vehicles used by ACAT to alleviate poverty and they play a key role in the creation of social capital. ACAT prompts G5 members to establish relationships within the groups. By working together in groups the members assist and support each other’s business ventures in the hope that they will experience economic advancement and improve their quality of life (ACAT, 2007b:1). Dedekind notes: “the whole structure...is relational. It’s all about relationships. Starting between the G5 members then taking on the responsibility through the relationships to pass on the skills to those who could not attend the training. With the Community Volunteers it is all about relationships with these groups, and then the same with the Zones [Zone Management Committees] to the G5s and the G5s to the CMCs. It is all about relationships” (Dedekind, 2008:21).

While the sustainable development structure is representative of one big network it is also made up of smaller networks. The G5s are linked to the CVs; representatives of these two groups of people then make up the ZMC. Representatives from ZMCs then join up to form the CMCs (Dedekind, 2008:21). There are also smaller networks of groups within the programme. Each G5 group is representative of a small network. Ngema also observes that G5 members from different G5 groups, who are all involved in sewing activities, may form a sewing cooperative (Ngema, 2008:9). Relationships and networks are not only built within G5 groups but they are also formed across the groups.

ACAT’s poverty alleviation programme, and hence the development structure, provides a number of different social settings in which social bonds between G5 members, CVs, EOs and ACAT trainers may develop. ACAT urges G5 groups to meet on a regular basis prompting frequent interactions between members. G5 groups have also been known to organise “bring and share” meals. They meet to hold Bible

studies and prayer meetings where members discuss spiritual matters such as their relationship with the Lord (Sihle Ndlela, 2008:10-11). Formally, the meetings provide a space in which members can discuss business and group related issues and informally, the meetings provide a space where members can form friendships and share personal problems.

Another social setting includes the Basic Life Skills Training Orientation where G5 members from different areas spend five days together at ACAT's Training Centre. During this period, members build relationships and social ties with members from different areas: informally, at meal times and formally, during training when members are given the opportunity to discuss certain topics amongst themselves, for example, the causes of poverty. The Basic Life Skills handbook contains a number of group work activities which allow members to participate in group discussions and exercises (ACAT, 2008:5,21). Members from different areas who formed relationships during the Basic Life Skills Training Orientation have been known to stay in contact with one another when they return home – Ndlela noted that “when people are sitting there” at ACAT's Training Centre they hear about the activities occurring in other areas. He gave an example of one group that visited another group to learn more about their savings project. That group returned home and began a similar activity. Ndlela commented, “so that has started as....a relationship that are built at our centre” (Elmon Ndlela, 2008:4). The lifespan of these relationships extends beyond the five-day training session and can evolve into long distance and long-term relationships (Elmon Ndlela, 2008:4).

EOs organise similar Cross Visits whereby G5 members visit G5 groups in other areas to examine their projects. ACAT facilitates farmer-to-farmer learning whereby members involved in SAP visit other farmers to discuss issues such as vegetable production, pest control, intercropping, small animal farming, health, balanced diet and Home Food Security. Apart from tangible issues and skills discussed by farmers, ACAT's leadership notes that there are also intangible skills that farmers glean from these visits such as self-esteem, motivation, determination and cleanliness (ACAT, 2007a:12). They maintain that with farmer-to-farmer learning through Cross Visits, it is possible to “stimulate joint learning and innovation, joint experimentation based on individual or group farmers' initiatives, documentation of farmer innovations and

adaptations, assistance in designing and monitoring of experiments, develop joint markets, lobbying for common needs and develop a network at their level” (ACAT, 2007a: 12). Cross Visits provide members from different areas with the opportunity to form networks that span geographical distances.

G5 members also meet outside of their formal G5 meetings. In some areas G5 members have formed HIV/Aids Support Groups. Extension Officer, Ndlela, described how once a week she meets with 12 G5 members from different G5 groups who have started a support group in the Bufford area (Sihle Ndlela, 2008:12). At these meetings the group refers to an Aids counselling book, which Ndlela feels, helps to build hope amongst the members. Apart from discussing their illness, the members also sit together and read from the Bible (Sihle Ndlela, 2008:12). Relationships that exist within these groups develop around common health issues. The members build support networks to help them cope with and manage their illness.

Echoing Putnam, Morgan states that “the more they [the members] meet, the more they benefit from the programme... the more they interact and the more they build the bond and the support system that’s in the group” (Morgan, 2008:11). Not all groups are successful, the groups who meet on a weekly basis, and thus have increased interactions, are the strongest groups and tend to achieve a great deal (Morgan, 2008:10). The groups that meet once every two weeks still make progress. However, Morgan has witnessed that the groups that only convene once a month do not necessarily benefit from the programme. These members only meet because they are required to meet and do not recognise the benefit of meeting (Morgan, 2008: 11). It is apparent that ACAT’s participants build social capital, in the form of relationships, networks and bonds through various interactions on a number of levels and in a variety of different social settings.

Relationships are also cultivated through ACAT’s loan system, which is structured in a way that demands co-operation between G5 members and facilitates the creation of bonds and relationships between them. The loan application requirements and the loan system as a whole necessitate regular interactions between G5 members. The group is bound together by a commonly agreed upon constitution. The creation of a joint group bank account also binds members together in an official capacity. Members

have to learn to work together in order to become eligible for a group loan (ACAT, 2007b:3). Members are each given an opportunity to use the money for two weeks before they are expected to pass the money on to the next member (ACAT, 2007b: 3). Members have a direct interest in seeing their fellow members succeed for two reasons: firstly, they are the next in line to receive the money and secondly, as ACAT noted “the group must commit themselves to support each other if at all any one of them is unable to pay” - if one member faults on their loan repayment the whole group is responsible for repaying the loan to ACAT (ACAT, 2007b:3). Ngema notes that members monitor and help each other, for example, they check each other’s book keeping. She adds that the system is designed in such a way that it requires the members to help one another (Ngema, 2008:9). This system encourages members to work together and support one another. By participating and co-operating in this loan system members receive economic benefits. Not only do they have the opportunity to use the loan money to earn more money but ACAT has included a savings system within the loan system. Each time the money passes from one member to the next, the money increases by the amount set by the group at the outset. Group members are therefore forced to save money which they will be able to use at a later stage (ACAT, 2007b:3). ACAT’s sustainable development structure and the accompanying processes therefore foster relationships and extensive networks - the social capital that can assist G5 members’ economic advancement.

Apart from the networks, the loan system facilitates the emergence of norms of mutual commitment and responsibility. Each group member is committed to repay the loan even if one individual member faults on their loan therefore all the members are jointly responsible for the loan (ACAT, 2007b:3). Members are taught the importance of responsibility through the loan system. Each member is responsible for the money for a period of time. This system also includes a lesson in commitment as it stipulates that all members are committed to repaying the loan by a certain date (ACAT, 2007b:3).

Social capital not only emerges as a result of the establishment of relationships between and among G5 members but it also appears due to the formation of relationships between G5s, CVs, EOs and ACAT Trainers. CVs and EOs work closely with G5 members both in their groups and individually. During the sustainable

development process CVs and EOs build bonds with G5s when attending G5 meetings and holding workshops in communities and by offering groups support. The CVs and EOs also visit members' Home Food Security gardens and offer members advice regarding their business and farming activities. Ngema notes that EOs and CVs tend to adopt the role of counsellors and mentors as G5 members approach them for assistance on a variety of different issues (Ngema, 2008: 21). One G5 member told EO Ndlela, "You know, Sihle, you are the only person who knows about our status...we do trust you that is why we joined [the HIV/Aids Support Group]" (Sihle Ndlela, 2008:12). Morgan explains that the reason why ACAT witnesses changes and improvements in its members' lifestyles is because the EOs and CVs mentor them, spend time with them, train them and expose them to new things. He adds that this is why ACAT limits the number of new G5 groups that each EO is allowed to form to ten a year so that the EOs have the capacity to focus on these groups and give them the necessary support to succeed (Morgan, 2008:21). There are also opportunities for ties to develop between ACAT trainers, CVs and G5 members during the Basic Life Skills Training Orientation and CV training. G5 members and CVs share meals with trainers and ACAT staff during their courses.²² ACAT trainers and staff members also participate in discussions with the G5 members and CVs during training sessions and around the dining room tables (Dedekind, 2008:25).

These social connections, which emerge between these different actors, play an important role when it comes to maintaining and preserving codes of conduct and behaviour. Putnam states that networks entail mutual obligations and commitments (2000:21). Networks of community engagement promote and generate stable norms of reciprocity. ACAT's poverty alleviation approach encourages the formation of norms of reciprocity. Ndlela describes how members are motivated to help one other and share. He highlights that some members in communities have more than others. One SAP G5 member may have seeds but another member may not have any seeds. Seeing that their fellow member does not have any seeds the other member will often give that member seeds (Elmon Ndlela, 2008: 7). He continues by adding that the members help each other because they know that one day they might need assistance: "for them it's not that you give me this, I pay for this. So for them it's more or maybe in the

²² Morgan invited me to have lunch at the Training Centre. He mentioned that the participants and ACAT staff members eat lunch together in the dining room.

future I will have something which I can assist them with” (Elmon Ndlela, 2008: 7). Ndlela outlines an example whereby one member in a group of five had fencing material to secure his Home Food Security garden and prevent animals from eating his/her vegetables and crops. That member offered to extend his family’s home garden so that the other four members, who did not have fencing, could also plant and protect their own Home Food Security gardens (Sihle Ndlela, 2008:15). When people interact with one another on a frequent basis their interactions tend to foster norms of generalised reciprocity. Mutual commitments and obligations as well as responsibility for actions and behaviour are said to be involved in social capital (Putnam, 2000:21). Putnam contends that norms of reciprocity and social networks, both of which have been identified in ACAT’s programme, can foster and facilitate cooperation for mutual benefit (Putnam, 2000:21).

Apart from reciprocity, Ngema also identifies trust as being one the core values of ACAT - trusting in the Lord and trusting in one another. She notes “we believe that the totality of a person, you need.... the spiritual part, and the spiritual part is not just knowing that you are going to die and you go to heaven but it is also believing that God loves you enough to take care of your field, to take care of your children, to take care of whatever you are faced with in that situation” (Ngema, 2008:4). Morgan describes how members often ask other members to buy goods for them, either to sell or to use as inputs, when they go into town thus entrusting them with money and future inputs for their business (Morgan, 2008:11). Ndlela explains how some members sell each other’s goods for them; for example, one member from an area will comment “Oh Zandele you are selling fresh chickens. In my area there are few people who are selling chickens...can I get ten of your chickens?” and then the member will sell the chickens in a different area and then return to Zandele to give her the money for the chickens he/she has sold (Sihle Ndlela, 2008:13-14). Members therefore build norms of trust and trustworthiness. ACAT also advances other norms in the form of Christian principles and norms. From the outset ACAT’s perspective has been a faith-based one that is “driven by a passion to alleviate poverty as a love-your-neighbour type approach” (Morgan, 2008:12). ACAT advances the religious principle or norm of “love thy neighbour” in an attempt to inspire its members to help and support one another (Morgan, 2008:12).

During a Community Volunteer Training Programme, Mrs. Cynthia Morgan, an ACAT staff member, discussed the parable of two fish and five loaves whereby Jesus asked His disciples what they had and they produced two fish and five loaves. Jesus asked them to bring the fish and the loaves and He fed 5000 people (Morgan, 2008: 31). One of the CVs shared this parable with a G5 group. She then turned to the group and asked them “we have got orphans in this area - what have we got?” (Morgan, 2008: 31). The group calculated that they could feed 15 orphans one meal on a Saturday. They started feeding the 15 orphans once a week: using the resources at their disposal such as Home Food Gardens, SAP and EDP projects. Over time the number of orphans they were able to feed and the number of days on which they were able to feed them started to increase. At present, with the help of an organisation called Noah who heard about the orphan feeding scheme, the G5 feeds 96 to 136 children a day (Morgan, 2008:31). Christian principles and norms are integrated into ACAT’s curriculum - they are taught in training sessions and workshops while their messages form the basis of the activities that are carried out in the communities. ACAT’s sustainable development structure creates social capital through the formation of networks and relationships as well as through the promotion of norms and values based on reciprocity, trust and Christian principles.

It has therefore become apparent that ACAT’s development structure assists in the production of a variety of different networks and norms. Putnam cautions that while networks and norms of reciprocity tend to have beneficial outcomes for those who exist within these networks, the external influences that social capital may produce may not always necessarily have positive outcomes (Putnam, 2000:21). Putnam offers two types of social capital - bridging and bonding social capital. He maintains that different consequences accompany these two different forms. Bonding social capital, for instance, is useful when it comes to “undergirding specific reciprocity and mobilizing solidarity” (Putnam, 2000:22). Bonding social capital may produce “strong in-group loyalty” and as a consequence “strong out-group antagonism” and thus as a consequence of this observation one may anticipate that this form of social capital is more likely to be associated or accompanied by external negative effects (Putnam, 2000:23). Putnam draws connections between the potential roles that FBOs may play in terms of social capital formation and the types of social capital produced by FBOs. For instance, when referring to Roof’s assertion that “growing churches and

synagogues” are generally exclusive as they are able to create social and religious barriers, Putnam implies that FBOs may produce bonding social capital that has potentially negative effects for those who fall beyond their boundaries (Putnam, 2000:77).

Lockhart operationalises bridging social capital “by noting the mixture of racial, ethnic, class or gender differences found in relationships” (Lockhart, 2005:49). ACAT creates networks between Christians and non-Christians. It prompts the establishment of relationships and networks between people who come from different ethnic groups such as Zulu, Xhosa, Sotho and white groups (Morgan, 2008:22). Relationships are formed between G5s, CVs and EOs, who are black, and ACAT staff and trainers some of whom are white and others who are black. The gender of G5 members, CVs, EOs and ACAT staff members is mixed, thus for example, links between male and female G5 members are formed as a result of the loan system (Morgan, 2008:21-22). Ngema notes that the EOs and ACAT trainers tend to come from a wealthier economic class than the G5 members and the CVs as they tend to have higher educational qualifications but more importantly because they receive a monthly salary from ACAT (Ngema, 2008:20). Further, relationships emerge between G5 members from different geographical areas - thus linking people from diverse geographical backgrounds (Elmon Ndlela, 2008:4).

It would appear that the connections and networks that emerge in relation to ACAT and its poverty alleviation programme bridge religious, ethnic, racial, class, gender, and geographic divides or differences between G5 members, CVs, EOs and ACAT trainers. ACAT’s poverty alleviation programme therefore appears to produce bridging social capital.

Putnam points out some groups have been known to produce both bridging and bonding social capital at the same time (Putnam, 2000:23). Thus having operationalised and examined bridging social capital, we now turn to bonding social capital which this study operationalises by noting the common values or norms of relationships emphasised in the relationships created by the FBO’s programme and the extent to which the FBO promotes these common values. Ngema notes that all the G5 members have a common need to put food on the table. As they work together in

order to fulfil this need they are bound by the value of working together and supporting one another. She maintains that as people work together in order to put food on the table they begin to grow spiritually (Ngema, 2008:22). Morgan notes that the relationships between G5s tend to form around mutual support. He adds, “It’s tough out there. It’s a hard life and if you’ve got five people you can start depending on...it’s of immense value” (Morgan, 2008:24). G5 members build relationships around their need for support – they support one another in the hope that they themselves will be supported. ACAT’s loan system promotes norms of responsibility and mutual commitment. Members are committed to repay the loan and as a group they are all responsible for the loan (ACAT, 2007b:3). ACAT’s programmes also promote norms of reciprocity and trust. Although not all members are Christian, ACAT does advance religious values which are responsible for binding members, CVs, EOs and ACAT trainers. Yet the religious principles and common values that are extensively promoted by ACAT do not appear to be exclusive. If anything they are overtly inclusive. For instance, ACAT expounds the Christian principle of “love thy neighbour” (Van der Linde, 2008:4). ACAT encourages its members to reach out to others. In addition, ACAT’s mission statement has a scriptural foundation namely that people should help one another (Dedekind, 2008:7).

Putnam criticises the fact that FBOs can produce negative forms of bonding social capital. Common religious beliefs are said to bind people and to form religious and social barriers that exclude those people who either do not subscribe or conform to these beliefs. ACAT, however, does not restrict its members to Christians. Morgan asserts ACAT would like non-Christians to participate in the programme so that they could be exposed to the word of the Lord and recognise the value of being Christian. He adds that while support for one another appears to be the main factor responsible for binding people - he asserted that there are strong faith-based relationships that have emerged as a result of the programme (Morgan, 2008:23).

Religious principles do bind ACAT’s members, CVs, EOs and ACAT trainers. Yet it does not appear that those members, who are not Christians, are excluded in any way. In addition, the G5 groups do not appear to exclude those people in the community who do not belong to a G5 group as each year ACAT welcomes the formation of new groups with new members. Members are also encouraged to think about helping their

family and community to advance (ACAT, 2008b:5,21). Moreover, even those people who practice traditional cultures and adhere to values that are in opposition to Christian beliefs are not excluded from participating in the programme (Dedekind, 2008:24-25). Christian principles of “love thy neighbour” and helping others as Jesus did may encourage and bind members but ACAT is by no means exclusive: it appears to want to expand its boundaries rather than bolster, tighten or restrict them. ACAT’s motivation to reach out to the needy and poor is twofold - the organisation is not only attempting to assist the needy and poor but does so in the hope that by assisting the poor they will enter into the Christian faith. ACAT’s motivations and actions focus on reaching out beyond its own faith group to help the poor materially and spiritually. It would appear that those factors such as religion and support, which would possibly build the religious barriers Putnam refers to, in this case assist in building relationships and bridging divides between those people - G5s, CVs, EOs and ACAT trainers - who are involved in ACAT’s poverty alleviation programme. The bonding social capital in this instance does not appear to be exclusive. Instead those factors that bond people are the values that are responsible for assisting people to bridge the barriers that were previously between them.

ACAT uses a variety of different ways to establish networks and relationships between G5s, CVs, EOs and ACAT staff members. While differences exist between these groups of people it appears that ACAT’s poverty alleviation programme assists them to overcome their differences and work together. ACAT’s programme therefore appears to produce both bridging and bonding social capital. Despite being an FBO, ACAT appears to contradict Putnam’s interpretations of FBOs’ production of exclusive forms of bonding social capital by using Christian principles and mutual support as values and norms to bridge divides and barriers instead of enforcing them.

Critical questions

Thus far this study has presented an account of ACAT’s poverty alleviation programme that challenges Putnam’s conception of FBOs. Yet it is important to recognise that this account was compiled on the basis of contributions from interview participants, who either work for or are affiliated with ACAT, and from ACAT documents. The account therefore represents ACAT’s version of events. Outside or

external commentators, however, may point to the lack of empirical data on the actual communities' development, in turn presenting different perceptions of the programme. For instance, the experiences of community members and/or G5 members may be somewhat different from the way in which ACAT perceives or portrays the programme, its process and effects. It is therefore necessary for a researcher to interrogate this account.

One issue which demands some attention is participation. Who participates in ACAT's programme and who controls who participates? On entering a community ACAT approaches traditional leaders, churches, hospitals and schools. There is a distinct possibility that the traditional leaders will identify their kin who are poor, the churches will identify poor Christians or congregants, the school will identify children who come from poor families and the hospital will identify poor patients. Who then puts forward those poor members of the community that are not related to the traditional leaders and who do not go to church, school or hospital? ACAT requests that community members also identify poor community members however, the poor tend to be those people who are marginalised from the community therefore one should question whether the community would put those marginalised individuals or families' names forward? As Woolcock (2002) highlights "a defining feature of being poor...is that one is not a member of – or is even actively excluded from - certain social networks and institutions" (Woolcock, 2002:22). If the traditional, church, school, and hospital leaders and the community choose the initial participants then it is possible that some poor people could fall through the net and be excluded from the programme, therefore the value of the social capital that emerges as a result of the programme may be undermined. Putnam notes that actors who possess social capital are inclined to accumulate or generate more social capital. The initial participants selected by the above mentioned bodies may already have a measure of social capital stemming from their associations with these bodies - again it could be a case of "them as has, gets" while the poor who have nothing get nothing (Putnam, 1994:10).

Moreover, when ACAT enters a community it is essentially entering a "black box". Surveys of the areas' demographics, geography and infrastructure can be conducted however these surveys are not going to reveal whether there are age old divisions or deep rooted political issues in the community. In practice, will the poverty alleviation

programme be able to bridge historical divides that may have characterised or shaped a community for years? Putnam contends that historical and social contexts impose “powerful constraints” on institutional success (Putnam, 1993:16). If historical and social contexts are such important determining factors is it possible for an organisation to successfully alleviate poverty by creating networks and promoting norms in a black box of a community where the organisation has no prior knowledge of the historical, political or social landscape? For instance, is it not difficult to create networks between poor people in communities, which contain vertical traditional relationships due to the presence of definite hierarchies, resulting from traditional cultures and the presence of traditional leadership within these communities? Particularly given that the poor are likely to occupy the lowest position in this hierarchy.

Putnam is adamant that historical legacies and traditions are responsible for determining whether norms of reciprocity and cooperation will define a society. Expanding on the thoughts of new institutionalists, Putnam asserts that institutions and the social contexts and environment in which institutions operations are shaped and conditioned, develop throughout history, however they do not always yield an efficient, individual equilibria (Putnam, 1993:179). This is because one cannot rely on history to eradicate social behaviour and practices that hinder development and promote collective irrationality. Moreover, when individuals react in a rational manner to the social environment and setting shaped by historical legacies they tend to reiterate and reinforce social pathologies (Putnam, 1993:179).

This trait that has come to be associated with social systems has been termed “path dependence” by economic history theorists. In short, path dependence refers to the notion that “where you can get to depends on where you’re coming from, and some destinations you simply cannot get to from here” (Putnam, 1993:179). The concept of path dependence introduces the production of resilient differences and variations when it comes to the performance of societies despite the presence of similarities in terms of the societies’ formal institutions, resources, relative prices and individual predilections. This can have overwhelming consequences for both economic and political development. This begs the question: how does one expect to encourage economic development by building a development structure on the basis of the

cultivation of values and horizontal social ties and networks in vertically stratified communities and expect those values to be enduring? And moreover, how does one expect the emergent networks, which Putnam maintains should take years to develop, to be sustainable? The programme - from forming G5s to exiting the community - is envisaged to take five to seven years however, the values and norms such as trust and reciprocity are going to be necessary in order for the G5 to get to a year old and if Putnam contends that these values and networks need many years to evolve and develop then how are the groups going to produce the social capital that is needed for them to develop and thrive economically?

Questions surrounding interactions between the non-poor and the poor also arise. Oyen (2002:13) points out that the concept of social capital is rooted in the notion that informal and formal networks emerge around human needs. Some of these networks may be open, heterogeneous networks that include a large range of participants (bridging social capital networks) and others may be homogenous networks that only include their own kind (bonding social capital). Oyen raises two important questions that are of particular relevance to this study: firstly, “do poor people have the same sort of networks as the non-poor?” and secondly, “are poor people allowed to enter the networks of the non-poor?” (Oyen, 2002:13). In answer to the first question: Oyen notes that a series of studies have indicated that poor people do not create or participate in the types of organisations that the non-poor participate in. The poor’s lack of participation in political as well as civil realms is linked to other forms of poverty (Oyen, 2002:13). Oyen maintains that the poor often create networks that are connected to survival strategies in which “networks may be based on bartering and exchange of trust in the sense that borrowing and lending goods and services are integrated in a symmetrical pattern of mutual expectations” (Oyen, 2002:13). This would be in a similar line of thinking to how, in principle, the G5 groups would be considered as networks of poor people who are joined by survival strategies to address their poverty. This would be the ideal view of these networks. Yet in practice things do not tend to work out as they would in ideal situations: Oyen makes a crucial point when arguing that community workers and others can attempt to create and bolster networks among local people however there is a tendency which indicates that people from the poorest groups do not become lasting or life long members of those

networks (Oyen, 2002:13). The viability and sustainability of the G5 groups are then brought into question.

In response to the second question as to whether or not poor people have access to non-poor networks, Oyen makes a “qualified guess” when she answers in the negative (Oyen, 2002:13). Societies tend to be stratified and stratification along with differentiation shares the main objective of not only delineating who is a member of an organisation or state but they also function to keep non-members out. Traditionally the poor are generally found on the bottom-most rung of stratified societies. As Oyen notes one of poverty’s major features is social exclusion (Oyen 2002:13).

ACAT attempts to create networks between the POP and the BOP in the hope that those people who have more than others will share and assist others to overcome their poverty. Oyen notes however that in terms of the definition of “poor”, the poor generally tend not to have material resources therefore they would have very little to contribute to a non-poor network, or a poor network for that matter, and their lack of material resources may not necessarily be welcomed as they belong to a different strata of society (Oyen, 2002:13). Will the better off be willing to allow the poor to belong to the group and not contribute? In a perfect world maybe, but in the real world in which ACAT operates it is unlikely that the non-poor are going to want to continue working and belonging to these networks with the poor if the poor are freeloading off their resources, particularly in communities where the non-poor may only be marginally better off than the poor.

Having examined a large number of case studies pertaining to development in the Third World, Esman and Uphoff ascertain that local associations are a vital ingredient in successful rural development strategies (Putnam, 1993:90). They did however discover that those local organisations that had been “implanted from the outside” had particularly high rates of failure (Putnam, 1993:91). Those organisations that were successful were indigenous, participatory projects found in cohesive local communities (Putnam, 1993:91). Within the communities in which ACAT operates, ACAT is an external influence which promotes the formation of groups, networks and committees as part of a model devised outside of the communities. Esman and

Uphoff's findings therefore offer grounds on which to call the use of this alien model into question.

Preliminary social capital balance sheet

ACAT contradicts Putnam's interpretation of FBOs. It is critical to bear in mind however that there are a number of serious issues that may arise and in so doing could undermine the functioning of ACAT's poverty alleviation programme and its production of social capital. ACAT's proponents describe an FBO that provides an example of a fully functioning, tried and tested poverty alleviation programme, which is purported to be witnessing improvements in the quality of lives of its participants. It is possible that these proponents would bolster their argument by saying that ACAT's account would discredit the critical questions raised above - and they may very well be right. However, this paper lacks any empirical data to substantiate this and it is therefore necessary to raise the questions noted above. This analysis of ACAT's sustainable development programmes suggests that this FBO operates a poverty alleviation programme that is fulfilling its objectives whilst contradicting Putnam's perception of FBOs. These findings are however limited by the need for greater access to the programme's participants. If further research into G5 participants' perspectives of this programme could be conducted so that the issues noted above could be examined and disputed then this programme could provide a suitable alternative for the government to call upon to assist it in its poverty alleviation efforts.

Chapter Seven: Conclusions, challenges and directions for future research

Escalating poverty levels coupled with the government's failure to respond appropriately to this situation have prompted CSOs to assume a greater role when it comes to poverty. ACAT is one FBO that is attempting to address the issue of poverty in KZN and appears to be experiencing some measure of success. In light of the poverty situation and the presence of organisations, in particular FBOs, which are working and succeeding where the government is failing, this dissertation raises the question "why is the state not looking to these FBOs for assistance in alleviating poverty?" It contends that this can, in part, be attributed to the debates surrounding the "dark side" of associational or organisational life. According to Putnam, FBOs have the potential to produce negative forms of bonding social capital which serve to bond people along social and religious lines whilst serving to exclude those groups and people that fall beyond the social and religious boundaries constructed by the organisation (Putnam, 2000:77).

This dissertation is concerned with two broad issues: firstly, whether in fact the FBO under consideration and its poverty alleviation programme, does in fact produce social capital. And secondly, if the social capital produced by this FBO does have adverse consequences which conform to Putnam's conception of FBOs and bonding social capital. It becomes apparent that through the construction of a sustainable development structure, which establishes networks and relationships between G5s, CVs, EOs and its management, ACAT's poverty alleviation programme does appear to produce a form of social capital. ACAT's programme advances common religious values as well as norms of reciprocity, trust, responsibility and mutual commitment to create networks and connections which bridge a variety of divides including religious, racial, ethnic, class, gender and geographical differences. Yet according to accounts by interview participants of the organisation and its programmes, the principles and values which bind members do not serve to exclude those people who are not of the same religious persuasion, or people who do not participate in the programme. The interviewees, and documentation provided by the organisation, emphasised that the organisation and its leadership's motivations focus on reaching out beyond its/their own faith base to assist the poor both materially and spiritually. ACAT's programme

thus appears to defy Putnam's arguments by purportedly attempting to promote inclusiveness and increasing numbers of participants as opposed to excluding them.

On the surface ACAT and its poverty alleviation programme seems to present an answer to the South African state's poverty dilemma. The evidence gathered demonstrates that it does not conform to Putnam's version of "evil" and that the state should look to ACAT for assistance in addressing poverty. However, on taking a closer look at this FBO and its programme, there arose a major challenge. This research endeavour was unable to gather the necessary empirical data to prove whether or not ACAT does provide an example of an organisation with which the state should partner in the fight against poverty or whether the programme provides a best practice for the state to adopt and implement on a wide-scale. It became apparent during the research that there are a number of different realities at play in the field of study yet this dissertation was only able to present one particular version of what was undoubtedly a complex reality. The key interview participants for the study were only those who either worked for, or were affiliated with, ACAT. Despite the informants' sincerity, their unwavering belief in the organisation and the genuineness of their motivations, it cannot be ignored that the ensuing account of ACAT and its programme reflects their reality. This dissertation, therefore, presents ACAT's perception of the programme and its effects. This study was shaped and defined by the lack of access to the rural communities in which ACAT operates, and to the people (both programme participants and non-participants) who live in these communities. The gate-keeping exercised by ACAT ensured that it was impossible to gain any insight into how the programme participants view the organisation or to gauge the effects that this FBO and its programme are actually having on the lives of the poor and the communities at large. Under these circumstances it has proved impossible to present a more comprehensive evaluation of ACAT, its programme and its effects.

If this research endeavour had not been so mired by complex gate-keeping issues, a number of strategies could have been adopted to investigate whether ACAT offers an effective alternative poverty alleviation programme for the state to consider. These strategies include volunteering at the organisation (thus gathering inside knowledge) as a participant observer within the organisation and, by association, in programme-

related activities in the community; interviewing donors and key role players such as participants, EOs and stakeholders; and analysing texts. It would have been both interesting and useful to visit groups, attend group meetings, observe cross visits, conduct surveys and semi-structured interviews as well as focus groups in the communities, in order to gain a fuller understanding of the dynamics surrounding participation as well as relationships within and outside of the programme. The above-mentioned research methods would have assisted in addressing the million dollar question of “who is, in fact, involved, how and *on whose terms?*” and in establishing the level/extent of the communities’ participation in the poverty alleviation programme (White, 2000:33). Interactive discussions with and observations of EOs and group members would have led to the identification of relevant community and programme stakeholders (social, political and economic actors). It is possible that semi-structured interviews with these different stakeholders, ACAT representatives and participants, could have established how this FBO and its programme interfaces with the stakeholders and community at large and in so doing provided valuable insight into the functioning of the programme and whether it is indeed inclusive or exclusive.

Given the restricted access and the resulting incomplete and one-sided nature of the results that emerged, it was necessary to analyse and interrogate ACAT’s version of events. In so doing a number of questions emerged which not only emphasise the need for further research but also provide directions for it. The key questions surround issues of participation, sustainability and the dynamics of relationships between the poor and non-poor. There is a need to investigate interactions and relationships, if any, between participants, social, economic and political actors as well as state representatives. For instance, do state representatives interact with participants and if so do these interactions influence participation in the programme or the programme itself? In terms of participation it is critical to ascertain who participates in ACAT’s programme and who controls who participates? Questions pertaining to the sustainability of implementing externally-devised programmes in relatively unknown areas, also need to be addressed. In addition to questions of participation and sustainability, the success of this programme lies, in part, on the establishment of sustainable relationships and networks between the poor and the non-poor. It is crucial

that any future research examines whether these relationships emerge, and the longevity of these relationships.

The main challenge confronting any future research attempts is access which is wrapped up in issues of organisational transparency. Access to the organisation, the communities and participants is complicated on a number of levels. Firstly, with regards to approaching ACAT, researchers would have to handle this situation very delicately. ACAT's leadership is motivated by divine beliefs. They operate on the basis of religious principles and carry out their "calling" with a sincere commitment and a steadfast conviction that they are fulfilling God's will. If at any moment the leadership felt that further research would question their faith or their motivations then it would be impossible for the researcher to investigate ACAT and its programme. Researchers who find themselves on the "outside" can experience great difficulty when attempting to "break" into a "closed system" such as ACAT and thus it is important to tread lightly. Researchers would need to gain access to participants (and the identity of the participants in particular) through ACAT. The organisation may be reluctant to be researched further and thus may not be willing to cooperate with researchers or provide necessary information. It may also be difficult to access participants without the organisation controlling who the researchers meet. Moreover, should one gain access to the participants there is also the chance that less obvious issues, which may significantly affect the researching findings, may also emerge. For instance, participants may feel so indebted to ACAT that they will also offer a rose-coloured version of the effects of ACAT on their lives or feel that there might be reprisals for saying anything negative. This could seriously influence the validity of the research findings. On a practical level, conducting research in rural areas can prove difficult. For instance, language and the ability to communicate with participants may also be problematic. Most of the participants are Zulu speakers and have little knowledge of the English language. In my case it would therefore be necessary to use a translator and this could have implications for the accuracy of the research findings if important information is "lost" in translation.

In conclusion, despite appearing as an FBO, which seems to be assisting the poor whilst contradicting negative conceptions of FBOs by encouraging inclusiveness and openness, there are a number of issues and question areas which emerged in relation

to this FBO, some of which were beyond the scope of this paper, and therefore still need to be addressed. In order for the state seriously to consider ACAT and its programmes as part of a strategy to combat poverty it would be necessary for greater transparency on the part of this FBO so that the above-mentioned issues can be evaluated and in some cases negated. The lack of transparency resulting from this organisation's unwillingness to be investigated could in fact be precisely one of the key factors that would prevent the secular state from actively collaborating with ACAT. The regrettable effects of ACAT's gate-keeping exercise is that it has not only precluded a wider evaluation, one which may have been beneficial to the organisation, but it has also demonstrated amply through its "closed" posture why the state should be wary of any engagement with it. The state, however, may not be the only wary party. ACAT and other FBOs may not necessarily welcome the state's involvement and the accompanying strings and stipulations. There is also the interesting question of whether the state would aid or hinder the success of these programmes. There is the possibility that once the state and their representatives enter the programme's picture, the norms of reciprocity and trust may disappear only to be replaced with nepotism and corruption. Issues of involvement and partnerships aside, at the end of the day the irony nevertheless remains clear: the state and FBOs effectively inhabit two different discursive worlds despite both aiming for the same outcome. It is therefore up to future research attempts to investigate the effects of the programme as well as the potential for state involvement to ascertain whether these different worlds can be bridged to alleviate poverty. This dissertation therefore proposes that a more in-depth, wide-scale investigation of the programme and its participants be conducted. Future efforts should investigate ACAT's position on state involvement in the programme. Specific attention should be paid to the G5 groups and the relationships (between participants, community members, state representatives as well as social, economic and political actors) that emerge in the rural areas. Not only should these groups be examined within the context of ACAT's programme in an attempt to ascertain its effects, but future research should also focus on participants' lives outside and beyond the groups. This would be in order to gather participants' perceptions and to gain a more comprehensive account of this FBO, its programme and its impact on the lives of the poor.

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Appendices

Appendix A

The Temple David Sisterhood's Durban Mavela Project

The Jewish community not only in the province of KwaZulu-Natal but also in South Africa at large has also embarked on a variety of different activities which have focused on addressing social-economic inequality in South Africa. An increasing number of Jewish communal organisations assist under-privileged South Africans (SABJD, 2007:ii). Teachings within the Jewish faith require that its followers contribute to the greater good of society. In Hebrew this is called *Tikkun Olam* which is translated to mean, “fix the world” (SABJD, 2007:iii). Jewish followers are taught that the world is in a state of disrepair and that there is a great deal of human suffering. Chief Rabbi Dr. Warren Goldstein notes that in the context of post apartheid South Africa, in which Jewish followers are attempting to fulfil their duty and overcome the legacy and history of apartheid, “*Tikkun Olam* means alleviating poverty and redressing the injustices of the past” (SAJBD, 2007:iii). Mrs. Mary Kluk, President of the Council of KwaZulu Natal Jewry, noted that the poverty alleviation programmes and other forms of social outreach programmes, which stem from the Jewish community, are rooted in another key principle or “founding pillars” of the Jewish religion namely the Hebrew word “*Tzedakah*” which means to reach out or to “basically to give charity”(Kluk, 2008:10). In terms of this principle followers of the Jewish faith are obligated to help not only their fellow Jews but also society in general. As Kluk noted “it is a very fundamental part of our faith that we take care of one another... everyone is obliged to contribute to the betterment of our community and to the upliftment of the social well-being of the community at large. It's not something you can opt into if you choose, it's frowned upon if you don't, like everybody to some extent, to the maximum of their capacity one hopes is involved in taking care of one another” (Kluk, 2008:10).

The key principle or “founding pillars” of the Jewish religion namely the Hebrew word *Tikkun Olam* “fix the world” and *Tzedakah* “basically to give charity” have prompted the establishment of a number of Jewish FBO initiatives across KZN

(SAJBD, 2007:iii; Kluk, 2008:10). The Temple David Sisterhood-Durban's Mavela Project, for instance, encompasses a number of components such as the building of the Mavela Crèche, food deliveries to child-headed households, children's transportation to schools, assisting in the creation of an Income Generating Centre, as well as plans to build a Baby Centre and Home-Based Care Hospice (SAUPJ, 2008). Building materials and food parcels were raised and collected by the Sisterhood's Operation Hunger Campaign (SAJBD, 2007:46). With regards to the Income Generating Centre, the Sisterhood contributed to the construction of a log cabin which will house the income generating projects that focus on capacity building as well as sustainability within the community. One such project focuses on sewing. Women from the community have begun sewing clothes for children living in the community. Efforts are being made to assist these women to secure a contract with the Department of Health (SAUPJ, 2008).

Appendix B

ACAT interview participants

The interview participants included the founder and trustee of ACAT, Mr. Von van der Linde; Executive Director of ACAT, Mr. Gerald Dedekind; ACAT's Programme Director, Mr. Geoff Morgan; ACAT Programme Director and Extension Officer, Mrs. Gugu Ngema; as well as Extension Officers, Mr. Sihle Ndlela and Mrs. Elmon Ndlela.

FBO interview participants

The interview participants included, the Director of Orphan Aid, Mr. Garry Hare; the Founder and Manager of Jabulani Self Help Centre, Sister Marco Gneis; a representative of DIAKONIA Council of Churches, Ms. Karen Read; Chairman of the International Christian Medical and Dental Association, Trustee of Hillcrest Aids Centre and Trustee of ACAT, Dr. Daryl Hackland and his wife, Priscilla Hackland, formerly of SMILE; Father Gideon Sibanda of Marianhill Catholic Mission; consultant to the KwaZulu-Natal Christian Council and former representative of DIAKONIA Council of Churches, Mr. Paddy Kearney; the President of the Council of KwaZulu-Natal Jewry Mrs. Mary Kluk; representative of Hlanganani Ngothando, Mrs. Debbie Rowe. The Director of the Gift of the Givers Dr. Imitiaz Sooliman was unable to meet with me personally however I was able to email him a set of questions.

Appendix C

ACAT's programmes:

Entrepreneurial Development Programme (EDP)

EDP participants are encouraged to improve their capacity, economic activity and food security (ACAT, 2006:11). ACAT's Basic Life Skills Training Orientation includes training and skills development pertaining to business skills and capacity building. The EDP participants are provided with guidance on how to start and run their own business ventures; for example, participants are advised to conduct surveys to ascertain whether there is a market for their product or service (Sihle Ndlela, 2008:9). They are also encouraged to investigate whether there would be any form of competition and if so, participants are advised to think of ways to improve their product in order to make it more attractive to customers. Participants are taught to calculate ordering costs and mark-ups (Sihle Ndlela, 2008:9). Participant's entrepreneurial initiatives range from small agri-businesses, hairdressing, hawking, tuckshoping and welding to upholstering and sewing (ACAT, 2006). Apart from the Basic Life Skills Training Orientation, ACAT EOs and CVs hold training workshops, for example, baking, fencing or leather tanning workshops, in communities (Sihle Ndlela, 2008:6). ACAT also encourages members of communities possessing skills, such as brick laying or beading, to share their skills with others (ACAT, 2006:11). ACAT motivates entrepreneurs to plant door-size vegetable gardens so that they can save money on foodstuffs and use that money to invest in their business or start a savings account.

Sustainable Agricultural Programme

The objective of the SAP is to assist disadvantaged small farmers to adopt sustainable agriculture as a strategy to rise above poverty in a manner which is not only sustainable but will also encourage the farmers to help others to follow suit (ACAT, 2006:11). SAP entails

- “the promotion and teaching of agricultural methods that are sustainable;

- the application of specific development notions and principles;
- and the consideration of the circumstances, particularly the challenges and needs, confronting small farmers”

(ACAT, 2006:11).

The SAP promotes the concept of small agri-businesses in the hope that the SAP farmers will be able to supplement their incomes. Farmers are encouraged to sell surplus vegetables and thatch. Some farmers produce crafts, for example, grass mats and clay pots, while other male farmers who have had experience in the building industry use these skills in the community to earn an income (ACAT, 2006:11).

The SAP advances methods that improve soil fertility, land preparation, water harvesting, seed saving, vegetable production, farm animal husbandry, marketing, crop production, natural resources management, fruit production and soil conservation. By focusing on food production that is sustainable and inexpensive the SAP attempts to assist rural farmers and their families to raise their standard of living and quality of life (GGI, 2005:6).

Adult Basic Education Training (ABET)

ACAT currently has two ABET centres operating as part of a pilot study. One is located in Mnambithi and the other in Umzumbe. Learners, who are illiterate, begin their ABET with a Zulu Orientation course and ACAT’s Basic Life Skills course. After having completed these two courses, learners can begin ABET Level 1 which comprises Zulu and English languages, Numeracy, Management and Entrepreneurship, Applied Agriculture and Food and Textile Technology (ACAT, 2006:22). ABET learners are taught by an ABET facilitator. An ACAT Extension Officer supervises the facilitator (Sihle Ndlela, 2008:3).

The pilot study is being conducted with two objectives in mind; firstly, to ascertain whether the ABET programme helps learners to manage their business ventures more efficiently and effectively; secondly, to evaluate whether the learning materials are useful to learners (ACAT, 2006:22). The learning materials are structured along the

lines of ACAT's Education and Training Framework. The framework is divided into two key parts: ACAT's Partnership Series and ACAT's Specialist Series. The Partnership Series is designed for training managers/leaders, Community Volunteers as well as other target people who belong to organisations that have forged partnerships with ACAT through the Partnership Programme. The Specialist Series comprises ABET, Skills, HIV and Aids and Spiritual Development Series (ACAT, 2006:22). A large majority of ABET learners are also G5 members (name given to ACAT participants) who are either involved in EDP or SAP. The researcher discovered that it is difficult to differentiate between the participants in ABET, EDP and SAP. The learners, however, do not necessarily have to be SAP or EDP participants. ABET learners are taught skills, for example business skills, which will help them start an EDP business. G5 members involved in the SAP are also known to start businesses under EDP.

The Integrated Livelihood Approach (ILA)

Previously the ABET, SAP and EDP operated fairly separately under the supervision of Programme Leaders. In 2006 it became apparent that it was necessary to implement a general development programme for participants to complete prior to commencing the SAP or EDP. This led to the introduction of the Integrated Livelihood Approach (ILA). ACAT identified specific key elements from each of its development programmes as critical building blocks of its development interventions (ACAT, 2007a: 4). These elements, which have come to comprise the ILA, include:

- “The formation of groups of 5 (G5's)
- Spiritual development
- Basic life skills
- HIV and Aids
- Household Home Food Security gardens
- Group loans
- Community Volunteers
- Community Management Committees”

(ACAT, 2007:4).

The ILA is rooted in the notion that if sustainable development is to occur it is necessary to address the “total livelihood of a person” in an integrated manner (ACAT, 2007a:4). The ILA provides the foundation of ACAT’s poverty alleviation programme. After having been exposed to the fundamentals contained in the ILA the target group is then able to specialise in either entrepreneurship or sustainable agriculture with the assistance of the SAP and EDP programmes.

ILA’s mission and objectives

The ILA’s mission “is to use business enterprise to enable rural families to overcome poverty and improve their quality of life in a sustainable way and to influence others to do the same” (ACAT, 2007b: 1). ILA focuses on six key areas:

1. “Business
2. Spiritual growth
3. Human capacity
4. Home food gardens
5. Addressing causes of poverty
6. Health and HIV”

(ACAT, 2007b:1).

Through the ILA ACAT hopes to achieve four main objectives:

1. “For people to understand the causes of poverty.
2. For people to demonstrate a self-reliant attitude.
3. For people to engage in activities to improve their quality of life.
4. For people to generate income through these activities.”

(ACAT, 2007b:1)

Appendix D

Basic Life Skills Training Orientation

New G5s select two members to attend a five day Basic Life Skills Training Orientation at ACAT's Training Centre in Lidgetton. Each Extension Officer generally takes two members from their designated area to the Training Centre where the members stay for the duration of the Basic Life Skills Training Orientation (Sihle Ndlela, 2008: 9).

The Basic Life Skills Training Orientation forms the basis of ILA. It focuses on the five key ILA principles of healthy living, basic business practices, Home Food Security, HIV and Aids awareness and spiritual development (Morgan, 2008:27). The Basic Life Skills Training Orientation is structured with the help of a Basic Life Skills handbook. The five sections in the handbook, which are divided into lessons, correspond with the five key ILA principles (ACAT, 2008b:5.iii). Over the course of the week, the timetable is organised so that six hours are spent on basic business skills, two hours on EDP, three hours on Home Food Security, three hours on health, twelve hours on spiritual development and on two evenings participants watch a movie on Jesus after dinner (ACAT, 2008d).

Approximately 46% of the training time is spent on the participant's spiritual development. Morgan noted that the Spiritual Development Programme "is all about Christian lifestyle (ACAT, 2008d).²³ Faith as we putting it across: is living a life with Christian values, living a life which is connected to God our creator and doing and following the lifestyle that is taught from the Scriptures as a whole. And, and to see through this lifestyle that there is benefit. Through this lifestyle there is peace in your heart" (Morgan, 2008:12). According to Morgan the Basic Life Skills Training Orientation provides participants with "the basics: the foundational basics of the Christian faith" (2008:13). He continued by adding "the whole of that course is about foundations – its a foundations about business: how do you start a business? What are the principles to start a business? How do you start a home garden and the basics of

²³ 12 hours out of the 26 hours of training is spent on spiritual development. $12/26 = 0.46 \times 100 = 46\%$.

planting and fertility? On the Christian side what are the basics to the Christian faith? And from the health side what is nutritious food and how do you keep yourself healthy and HIV and Aids is part of that as well” (Morgan, 2008:13).

Module 5 of the Basic Life Skills handbook is entitled “My Relationship with God”. One of the key outcomes of this module is that the participants will be equipped to “make a choice to turn to the Lord Jesus and be Saved” (ACAT, 2008b:5.1). Morgan explained that the people of ACAT feel that they merely “bring the truth and lay it in front of people and say you’ve got choices to make” with regards to whether or not they wish to adopt a Christian lifestyle (Morgan, 2008:13-14). Morgan emphasised that ACAT does not only allow Christians to participate in its programmes - ACAT wants non-Christians to participate in the programmes so that they can “see the value of being Christian” (Morgan, 2008:23). Ngema, a Programme Leader and an Extension Officer, asserted that ACAT’s staff members commitment to the Christian faith is of great import. She described how she integrates lessons from the Bible into her workshops when she is working in the field. Other ACAT trainers also include lessons from the Bible into their training sessions (Ngema, 2008:10-11).

Module 5 also includes a lesson on the causes of poverty. The handbook states that ACAT has come to recognise that if people are going to overcome poverty they need to identify and address those factors which make them poor (ACAT, 2008b:5.21). Participants are asked to work in groups and complete a checklist of factors which they feel cause poverty in their family and community. Morgan explained how ACAT initially compiled and continually updates this checklist by noting the reasons for poorness identified by participants (Morgan, 2008b:27). These factors are divided into nine categories:

1. “Behaviour: jealousy, laziness, alcohol and substance abuse, theft, intimidation, violence, pride, carelessness, no self confidence, de-motivation, large families - no planning, no co-operation, separated from God, no vision and unteachable.
2. Bad practices (bad money management): loan sharks, living above your means, selling illegal things, gambling, no planning, poor business skills and land use - overgrazing, no contouring, no soil care.

3. Family matters: differences at home, home costs, family not staying at home, cost of extended family, moving all the time and conflicts at home.
4. Culture - traditional practices and superstitions: health - rituals, death - rituals, cost of burial, unveiling of tombstones etc., birth - rituals, luck and misfortune - rituals, witch doctors for protection, good luck, ailments etc., land use - planting of limited cultural crops, limited productivity e.g. livestock quantity not quality, chief makes uninformed agricultural decisions, manure from kraal not shared and no use of bathing water for gardens.
5. Traditional concept of women: Lobola (bride price), women can't own anything, women can't make decisions, women can't move freely.
6. Superstitions: dreams, rituals and ancestor worship.
7. Disadvantages: no money, unemployment, lack of inputs - assistance, lack of skills, no education and no knowledge.
8. Circumstances: transport availability and high costs, high prices in rural areas, faction fights, revenge attacks and sicknesses.
9. Things controlled by higher authorities: land availability/quality, unemployment, leaders have more power over poor people so they keep them poor."

(ACAT, 2008b: 5.22-23)

At the end of the Training Orientation the two members are expected to return to their G5 group with the handbook and share the Basic Life Skills information. G5 members are able to specialise in sustainable agriculture or entrepreneurial development. In accordance with the Home Food Security principle ACAT encourages all G5 members to plant a home kitchen garden. ACAT contends that studies have shown that a well-maintained four-door size home kitchen garden can provide families with food that is nutritious and inexpensive (ACAT, 2007b:2). ACAT tries to identify a member of the community who has some knowledge of farming to assist the G5 members to create and care for their gardens. Extension Officers also help members with their gardens. ACAT assists people to attain seeds and seedlings (ACAT, 2007b:2).

Appendix E

ACAT's loan system and requirements

In order for the groups to qualify for a R300 Start Up Loan, the group as a whole has to fulfil certain requirements. Firstly, the group has to meet regularly, no less than twice a month, in order to “share and discuss” any successes or failures that their businesses may have endured. They “share” lessons and knowledge from the Training Orientation - the members who attended the orientation are expected to teach other members what they learnt. (ACAT, 2007b:3). The group needs to draft a constitution and open a joint bank account. Moreover, each member needs to create a Home Food Security garden. Members also need to identify a business opportunity. They can start their own business or the group as a whole can start a group business. Finally, members are required to keep records of business activities: their expenses, spending, income and balances (ACAT, 2007b:3).

In addition to the Start Up Loan, ACAT offers two levels of loans. The first level comprises two types of loans. The Level 1 Type 1 Loan, which is restricted to R500, is available to individual G5 members for a period of three months. The Level 1 Type 2 Loan is limited to an amount of R750. Group members may also apply for a Level 2 Loan. This loan can range from R500 to R3000. There are similar sets of requirements that applicants need to meet in order to receive these loans (ACAT, 2007b:3).

Level 1 Loan Type 1 (Maximum of R500)

- “Applicant needs to motivate a business plan to the ACAT Extension Officer.
- If the plan is viable the applicant will be required to complete an application form.
- The group will have to complete a Group Application as well.
- If the loan is approved, a Loan Agreement must be signed.
- No training is necessary.
- No deposit is necessary.
- No interest is payable.
- An administration fee of R50 is payable on repayment of the loan.

- The group should already have a Bank Account for ACAT to deposit the money into.
- A constitution is required in order to have a Group Account at a Bank.
- The loan repayment is for 3 months and repayment will be made monthly.
- The rest of the group must commit themselves to support the loanee if unable to pay, as future loans to the group will not be allowed unless all loans are paid and up to date.
- Late payment will incur a penalty of R50.
- This level is repeated 3 times.”

(ACAT, 2007b:3)

Level 2 Loan (R500-R300)

- “A loan needs to be motivated by a business plan submitted to the ACAT Extension Officer.
- If it seems viable, an application form must be completed. This includes a Balance Sheet and the business plan. This will be handed to the EO for tabling at ACAT.
- If passed – a loan agreement will also have to be signed.
- The loan will have to be paid into a group bank account.
- 10% deposit is required.
- A Basic Business training course is a requirement.
- An administration fee of R50 must accompany the application form. If the application fee is turned down, R25 will be refunded.
- 12% simple interest will be charged on loans over R1000.
- The length of time for a loan will be a maximum of 12 months.
- Repayment will be made monthly as calculated. ‘
- If an asset is to be purchased a quotation must be received and the merchant will be paid direct.”

(ACAT, 2007b:3)

Appendix F

Baseline Survey

Once the groups have been formed ACAT conducts a Baseline Survey on each of the members. The Baseline Survey records the status of G5 members when they enter the programme. The Survey focuses on five features. Each feature is examined with the use of a series of questions that provide ACAT with a description of the participant's living conditions and standard of living. The five features include:

1. "Appearance
2. Behaviour
3. Sustainable business practices
4. Finance
5. Home Food Security"

(ACAT, 2007c:1-2)

The Survey provides ACAT with a set of indicators which ACAT can measure again at a later stage to determine whether the participants have made any progress in terms of benefiting from the poverty alleviation programme (Morgan, 2008:3).

Appendix G

Weekly Orientation Timetable 2008													
Day	07h00	1 hr. 08h00 – 09h00	1hr. 30 min. 09h00 – 10h00	1 hr. ½ Hr	1 hr. 10h30 – 11h30	1 hr. 11h30 – 12h30	1 hr. 12h30 – 13h30	1 hr. 13h30 – 14h30	1 hr. 14h30 – 15h30	30 min. 15h30 – 16h00	1 hr. 16h00 – 17h00	1 hr. 17h00 – 18h00	18h00 – end
Mon				Tea		Registration	Lunch	Welcome ACAT Info & Orientation	B/B Lesson 1: Business idea	Tea	SDP Lesson 1: The Bible	Free	Supper Early night
Tues	Break fast	SDP Lesson 2: Greatness of God/His love for us	SDP Lesson 3: What is Sin/result of sin.	Tea	SDP Lesson 4: God's Perspective	SDP Lesson 5: Choices we make and how they affect us.	Lunch	B/B Lesson 2: Needs & Wants	B/B Lesson 3: Prices & Profit	Tea	B/B Lesson 4: Record- keeping	Free	Supper & Jesus Film
Wed	Break fast	SDP Lesson 6: God makes the way: The New Covenant	SDP Lesson 6: God makes the way: The New Covenant	Tea	HFS Practical	HFS Practical	Lunch	HFS Lesson 1 - 4: Theory	HFS/Health Lesson 1- 3 Balanced diet/Healthy habits	Tea	B/B Lesson 5: Savings Account	Free	Supper & Jesus Film
Thurs	Break fast	SDP Lesson 7: Practices Supersti- tions & Gods Perspective	SDP Lesson 7: Practices Supersti- tions & Gods Perspective	Tea	SDP Lesson 8 The resurrection life of the believer	SDP Lesson 8 The resurrection life of the believer	Lunch	Health HIV & Aids Lessons 1 – 11	Health Video	Tea	B/B Practice: Record- keeping	Free	Supper SDP Lesson 9 You choose
Fri	Break fast	Trainee testimonies	EDP Info		EDP Info	Early Lunch & Departure							

SDP = Spiritual Development Programme. WMPP = What Makes People Poor. B/B = Basic Business. HFS = Home Food Security. HBC= Home BaseCare.

(ACAT, 2008d)