GOOD GOVERNANCE AND POVERTY REDUCTION: EXPLORING THE “DARK HOLE”

Lungile Bhengu and Malcolm Wallis

Durban University of Technology
Abstract
The paper explores issues that the authors identified as needing a rethink about the most sustainable interventions for poverty reduction, not only to reduce the numbers of the poor but also to lead to holistic personal development and emancipation of the human being. The authors recognise the topical nature of governance in leadership and that much has been written about it, however, from different angles than the one being explored in this paper. Good governance is not the end in itself but a means to empower and enable people to live better lives, as indicated in the South African Constitution. Poverty, unemployment and inequality have been identified as the critical challenges facing the South African economy and government (National Development Plan, NDP). The paper, therefore, seeks to explore and identify the aspects most likely to make a sustainable impact on the social challenges that have bedevilled South Africa for decades. It will explore aspects of governance and look critically at the existing programmes, such as social grants and the extent to which these are serving the purpose of empowering the beneficiaries by enhancing their capabilities. It will further discuss the nature and suitability of institutions and human capital in the sphere of poverty reduction and human development. There are ways to be found by which, when critical social and governance changes are met, resource allocations can make much more impact. It draws relevant lessons from other emerging economies facing similar challenges beyond South Africa, arguing that finance is not a panacea for solving socio-economic problems but rather non-economic factors can have an impact on challenges identified above.
Introduction

Poverty, unemployment and inequality remain a challenge for most emerging economies, South Africa included. According to the Standard Chartered Development Index, which uses indicators such as GDP, education, life expectancy, environmental health and sustainability of the environment to assess the long-term development potential of a country, most African countries, but not South Africa, have made some progress on environmental and human development. As a response to the challenges, South Africa has identified a basket of strategies to address the issue of poverty reduction and job creation. This paper seeks to examine current literature on critical aspects in reducing poverty. It will look critically at programmes such as the social grant, with a view to identifying weaknesses and strengths.

On the issue of governance and institutional capacity, the paper takes a cue from the experiences of the Grameen Bank of Bangladesh. This bank has changed the lives of rural, poor and illiterate women in Bangladesh by overhauling the institutional governance structure and systems, management culture and attitude of the bank employees, while on the other hand empowering the under-resourced clients. It had to change its model of banking upside down in order to accommodate the needs of the new partners.

Without a paradigm shift in commitment to eradicating poverty and inequality and the way South Africa manages businesses and institutions there will not be a conducive environment for empowerment of the socio-economically disadvantaged. The situation may even worsen. Nation-building and unity are cornerstones for the success of South Africa’s National Development Plan (NDP).

There is an emerging school of thought that is beginning to question the view that finance is the panacea to poverty and human development; which has meant that the commonly used indicators have been quantitative in nature. The paper will explore the possible ‘dark holes’ that undermine the poverty reduction public policy instruments, governance infrastructure, and budget allocations aimed at
poverty eradication, human and community development and growing the economy.

This discussion is comparative in that it draws attention to the experience of a number of countries, but the main focus is on South Africa. These issues are by no means confined to South Africa, as shown by discussions at a 2010 conference on Africa which arrived at several conclusions similar to the concerns expressed in this article.

Whilst South Africa has progressed greatly in the area of governance since 1994, there is a need for paying more attention to many areas. As of 2010, the country ranked fifth in Africa in the highly respected Ibrahim Index of African Governance, behind Mauritius (1), Seychelles (2), Botswana (3) and Cape Verde (4). Although all of these are rather small states, which may limit their relevance, it does help place the country’s record in a comparative perspective. Whilst acknowledging progress made it is a ranking which should not induce complacency. The aim is also to set out some ideas which suggest the need for radical awakening regarding the approaches to the study of Public Management. The commonly held assumptions in public management education and training, which too often support the status quo, need to be questioned.

According to Sen, “Assessment of democracy and development cannot be divorced from lives that people can lead and real freedom that they enjoy.” He also argues against development being seen merely in terms of growth or industrialisation, even though these play an essential role. It should rather be seen in a broader perspective which places enhancement of human lives and freedom at the centre of plans and strategies.

The area of public finance needs a re-think, and the impact of public expenditure on poverty reduction, equality and development needs to be explored. Taking as an example South Africa’s social grant, governments generally know how much they are spending and on how many people. However, not much is known about what impact these numbers are making, other than they may be have been
misused. Efforts are surfacing to see and read beyond the numbers and start seeing peoples’ faces and lives.

This discussion further explores the relationship between poverty, human development, participation and the governance framework: ‘Good governance’ is increasingly seen as a precondition for poverty reduction. It is premised on a claim that governance determines the “types and modalities of decisions made about policy priorities, choice of strategies and resource allocation in order to deliver on the development and poverty agenda” ⁶

As practitioners, academics and public servants begin to understand poverty through the lens of those directly affected, interventions are likely to have a more positive and sustainable impact on people’s lives. A governance framework that is people-centred, responsive, accountable, facilitative, and transparent is the missing link. Experience worldwide has shown how poor policy implementation, rigid systems, highly technical and complicated language, sometimes not even understood by those meant to work with them, are some of the aspects that undermine good governance intentions, particularly through the eyes of the intended beneficiaries ⁷

INCOMES, GRANTS AND POVERTY

Income-centred poverty reduction strategy, when it is regarded as a long-term solution, can be compared to an anaesthetic. Perceptions of Poverty as an income issue, to the exclusion of the human capability aspect, need to be addressed. The specialist anaesthetist is aware of the long-term side effects of the process; however a good expert involves the patient in the whole procedure, so that he or she is aware of what to expect after it, for example, possible discomfort or pain. Pain and struggles are part of the process and the client has to be prepared to endure them. Applying this metaphor to poverty reduction, there is little development without pain, however, this has to take place in an environment that is enabling and as safe as possible. In development, beneficiaries are often willing to go through the pain all the way, and this leads to
personal growth. In the same way, income and social grants are intended to serve as short-term, stopgap measures, however, the recipients can be trapped and the economy damaged, with negative consequences for all.

In assessing the sustainability of poverty reduction interventions, the paper will consider the extent to which these have led to human development and development of human capabilities. The inability of the interventions to contribute to holistic human empowerment can be compared to the short-term nature of anaesthetic, as applied in medicine. An anaesthetic is used in healthcare to temporarily put a patient to sleep or numb a localised part of the body so that the patient who is undergoing the procedure does not suffer from the pain. It is a short-term measure with the patient passively waiting for the procedure to be performed by a doctor who is in control. This way the person does not experience any form of personal responsibility.

The social grant programme and, in particular, the child support grant are part of South Africa’s strategy to address poverty. Currently there are 15 million beneficiaries, but while an impact is being made in reducing poverty, questions about affordability, dependency, sustainability and the difficulty of creating conducive conditions for exiting the programme are beginning to surface. The so-called hand-out approach, like an anaesthetic, has a numbing effect, which is likely to render the recipient dull, passive and unable to create a life of empowerment and self sufficiency.

This is in contrast to the hand up approach (where the individual wants to be counted) that unleashes potential, enhances the capabilities of the intended beneficiaries and provides opportunities for them to help themselves. Employing another medical metaphor, the development ‘midwife’ is a facilitator after the anaesthetist has exited the scene. In the context of this article, ‘midwife’ is figuratively used to refer to a change agent, who plays an important part in development facilitation, leadership, coaching and management. Understanding poverty reduction begins with being aware of one’s positional limitation as a facilitator and an outsider. Chambers reported as early as the 1980s that development practitioners, and even those working with the poor-resourced
communities, were only outsiders\textsuperscript{9}. A midwife and outsiders have to take the cue from the pregnant woman and the poor respectively. In order to broaden understanding of poverty, the challenge of development is thus to ask questions as posed by Sen: what are the realities poor people face in relation to deprivation and capabilities?\textsuperscript{10}

The limitation of the ‘income’ approach was highlighted in the findings of the South African national income poverty reduction evaluation study, the focus of which was to assess the impact of the various income poverty reduction programmes, such as social grants, community-based work, income-generation, and expanded public works. The results showed the limitations of throwing money at such initiatives without strengthening the human capabilities approach and governance elements. Such programmes had not achieved sustainable development outcomes\textsuperscript{11}. The expenditure records for funds spent were scanty, making it difficult to accurately assess the progress made, qualitatively or quantitatively. Of more importance, however, is that there had been no assessment of return on investment, the improvement of the governance capacity and sustainability of the projects that were funded, the impact on the lives of the beneficiaries, their capabilities or the dents made on poverty.

For development and poverty reduction plans to succeed, governance issues have to be revisited. Participative governance approaches are intended to create an enabling environment for ordinary citizens, to allow the poor to be heard and for them to play an active role in creating their lives in partnership with government and those committed to human development. Local government, being the level of government closest to communities and people, may be best suited to facilitate community-based participatory planning and development, yet experience points to the contrary. Municipalities continue to struggle with issues of planning and organisational management capacity.

Asking questions enables the outsider to broadly explore the circumstances under which those affected live. The enquiry process challenges the outsider to think more deeply and laterally. It is about how those regarded as poor and living
in under-resourced areas live and the limited choices they have at their disposal. For instance, how is a mother with a sick child expected to adhere to a rigid clinic schedule, while she has the responsibility to walk long hours to fetch water and firewood, work in the fields, and take care of household food security needs of the child and larger family?

The family condition determines to a large extent the actual value of household income. For instance, a social grant and any other form of income may be spent differently, according to family dynamics and circumstances. The rising costs of medical treatment, electricity, transport, food prices and petrol continue to reduce the actual value of income the family receives. The ‘beyond income’ approach, called for in this paper, enables development practitioners to make a distinction between means of living and the lives that people manage to live. The actual value of the income available for family upkeep to some extent depends on external global and domestic financial and economic conditions. At a family level, issues such as who earns the income, whether a woman or man, the quantity and source of it and family size, affect the actual value and use of the disposable income. Children’s wellbeing improves with the mother’s income. Clearly, family dynamics play a crucial role in how resources are distributed. These findings are based on some observations by one of the authors over three decades as a facilitator of community and human development and as a community nutritionist working in rural poor resourced communities.

The days are over when the impact of poverty reduction and job creation programmes were evaluated in terms of how much income grant or stipend was paid. Sen’s capability approach seeks to encourage facilitators to dig into the ‘dark hole’ and ask some deeper questions, such as, to what extent can the current structure of the income-based strategy enable the beneficiaries to live their lives sustainably?  

Poverty is more than an economic issue: Justice plays a role
At the World Summit for Social Development, poverty eradication was defined as an ethical, political and economic imperative, and it was argued that poverty reduction should be regarded as an overarching and integrated development objective. As a response to the complex nature of poverty, integrated socio-economic policies inclusive of employment creation, strengthening production capacities and human capabilities, reduction of inequality and promotion of social justice, have to be put in place. The current food and energy crisis which has exposed millions of already vulnerable households to extreme hunger and poverty cannot be ignored.

According to Wallis, the development journey has become more challenging, given the financial and economic upheavals in the external environment brought about by the global crisis. Analysts must therefore not lose sight of the additional obstacles faced by current development paths, including the area of governance.

While economic growth is central to poverty eradication, a macro-economic policy and governance infrastructure that is inclusive and distributive can make a difference. Government’s developmental role is critical, suggesting a need to pay attention to governance reforms that are in line with the notion of the developmental state.

Constitutional democracy and the human rights environment have enhanced the value of social activism, with social justice becoming an essential aspect in an endeavour to reduce further human suffering. A strong shift is apparent in promoting social justice, ethical leadership and human rights-based ways of doing business at all levels and sectors of society. This is reflected, for example, in the South African 1996 Constitution. Upholding ethical conduct is about both the culture and values shared by public sector employees and civil society, therefore, public sector ethics is about what the state should be doing to promote a ‘good society’ and how the best standards of conduct may be promoted and upheld amongst its employees. It is about upholding this good conduct within and ensuring positive outcomes from the operations and performance of public sector rather than pursuing short-term, narrow interest to the detriment of the society:
“We all have to put aside narrow self-interest to work for the common good” (SAFM radio broadcast 2010, 19 May).

Like Sen, Mandela believed that true freedom would be achieved when people were free from poverty and deprivation\(^\text{17}\). Sen’s view is that development is the instrument through which total human freedom can be achieved. This is possible when society at large (development facilitators, educators in tertiary institutions, managers, leaders, in the public, non-government and private sector, and the poor themselves) see people, including those living in poverty, as agents of change rather than passive recipients of benefits. Mandela and Sen, as well as the spirit and values of the South African Constitution, propose an approach that promotes the unleashing of human capability as an expression of freedom\(^\text{18}\).

In addressing justice, Sen\(^\text{19}\) refers the reader to some biblical teachings, comparing the new consciousness to that of a Good Samaritan. He expands the duty to neighbours beyond the person literally next door: The Samaritan was moved by charity, a sense of justice or by some deeper sense of fairness in treating others as equals. Once one finds oneself in this situation, s/he is in the new neighbourhood. One is called to re-think the narrow view of ‘neighbourhood’.

**GOVERNANCE**

As early as 2001 Rakodi\(^\text{20}\) regarded governance as “the action, manner or system of governing in which the boundary between organisations and the public and private sectors have become permeable. The essence of governance is the interactive relationship between and within government and nongovernmental forces.” By definition, it is intended to create an enabling environment whereby the various partners such as the civil society, public sector and private sector can interact in support of public participation. It implies joint action and thus a shared purpose and framework of values and rules, continuous interaction and a desire to achieve a collective benefit which cannot be achieved by either party acting separately. It is about interdependence, which requires emphasis, given that two of the weaknesses facing government performance are the ‘silo attitude’ (people tending to work in isolation) and ‘my project’ attitudes. The inability of public servants to plan and work collaboratively, intersectorally and in an integrated
manner, continues to plague public service delivery. Public servants themselves are being frustrated by this inability to work together. While the government cluster approach is intended to encourage collaboration, in practice it is difficult.

Governments worldwide are experiencing challenges in the realisation of the Millennium Development Goals, and a perceived lack of capacity to deliver on the promises has emerged as the greatest challenge. As a result of the challenges of governments to deliver, the issue of governance has become the centre of public and academic discourse, in South Africa in particular. The South African Constitution and Bill of Rights\(^21\) have strengthened the need for such a discourse. This shift raises questions about channels and mechanisms of accountability, means of assessing performance and the distributional impact of outcomes. However, Rakodi has sounded a note of caution, noting that where there has been a rise in what she calls populism in countries like India and Kenya there can be a resulting decline in the quality of government, with typical features being politicisation, the criminalisation of politics, corruption, and a decline in accountability.\(^22\)

According to a 2011 report, South Africa is at 54th spot in the Transparency International Listing Corruption Index with a 4.5 score where 10 is clean and 0 is very corrupt.\(^23\) If this situation should continue it will not help poverty reduction, given that according to the Report on the World Social Situation\(^24\) (United Nations 2010), corruption greatly reduces the chances of eradicating poverty. On the other hand, designing governance systems with the view to catching ‘corrupt people’ can undermine the poverty and development agenda. The structures, regulations and systems become too rigid (so that it can catch the culprits) and less permeable for a participatory development agenda.

The current administration through its Public Service Commission, Public Protector, Auditor General and the national departments has paid more attention to the issues of good governance than before 2000. Integrity, ethical leadership, anti-fraud and corruption, Batho Pele and uBuntu values have become buzz terms of the new South African government, which has put in place a handful of ethical frameworks and initiatives to promote good governance and a human-
friendly environment. These are, to name a few: Batho Pele Principles; Employee Assistance Programme; Public Service Code of Conduct; and a great deal of legislation, much of it in the field of finance 25.

Planning: An Essential Aspect of Social Cohesion
As a response to the governance and service delivery challenges and mandate the South African government has established a National Planning Commission. KwaZulu-Natal (KZN) was the first province to set up a similar body of its own, the Provincial Planning Commission. At national and provincial level this has generated much excitement, hope and commitment to working together, driven by a clear common vision. Governance and policy is one of the seven strategic goals in the KZN case, also one of the provincial cabinet clusters, the mandate being to review the old Provincial Growth and Development Strategy (PGDS) and develop a new version which will take the province through to 2030, and to serve as an Advisory Body to the KZN Cabinet. The PGDS exercise has highlighted some focal points, over and above poverty and inequality, which were identified by the NPC. These elements may ensure sustainable good governance and effective implementation of the PGDS. They are the pillars on which the PGDS sustainability approach is built. On governance and policy they are: building government capacity, ensuring pro-poor policy and strategy co-ordination, strengthening inter-governmental relations systems, promoting participative and accountable governance, and eradicating fraud and corruption. Infrastructure and spatial equity are the two other legs on which the PGDS approach to sustainability rests 26.

Section 195(1) of the Constitution has identified the following as the purposes of public administration: be accountable; respond to people’s needs; promote effective, economic and efficient use of resources; maintain a high standard of professional ethics; and provide services fairly and equitably 27. Until these words change the reality of the poor, they remain of little value. The success of the Constitution and democracy should be assessed through the lives that the citizens, in particular the poor, lead.
The Constitution sets a framework for social activism and people empowerment, the expectation being that the state becomes a ‘powerhouse’, more committed to eliminate poverty whilst the poor become better organised to demand change. Unless the two sides find each other, little can be achieved. Both seem to be threatened by the interest of the other.

**LOCAL GOVERNMENT AND POVERTY REDUCTION CHALLENGES**

Governmental poverty alleviation programmes and projects are supervised, and in many cases executed by government officials working in local, provincial and national spheres. However, tension exists as to how far each sphere can go in executing its duties, in particular on matters of legislation in which conflicting legislation exists. As it is closest to the people, the local government sphere is crucial in ensuring that the social responsibilities of government are achieved with success and with active participation of the local communities. The relationships within and between the municipalities, for example councillors and chiefs, have often been tense.

The challenges faced by municipalities include the lack of financial and management capacity to implement developmental programmes, visible in the inability of many local authorities to survive financially. Poor loan ability and low revenue bases for the small and rural municipalities pose a threat to service delivery. On the other hand, the inability of some government departments to spend the annual budgets, while others are overspending, remains a weakness.

Thorough analysis, however, suggests that the weaknesses are deeper than financial and that a multi-pronged approach to giving support is needed. Many councillors are new and inexperienced in local government and political conflict, both inter- and intra-party. This is increasingly apparent at local government level but the support programme designed and implemented by the Development Bank of Southern Africa (DBSA) through its Siyenza Manje support programme, in which one of the authors has participated, may make an impact.
Weaknesses in the integrated planning processes have led to skewed allocation of resources and budgetary expenditure. The relatively well resourced and politically better supported municipalities may be receiving larger shares at the expense of the poorer rural ones, which have poor capacity to prepare attractive proposals.

POVERTY AND BUREAUCRACY

Institutions (governments and NGOs) play a critical role in poor peoples’ lives, either responding or repressing the needs, voices and aspirations of the poor. The general view is that these institutions are disempowering, exclusive, and unable to respond to the immediate needs of the poor. For example, during one of the KZN Government Operation Sukuma Sakhe visits, a commitment to consolidate government efforts to fight and address poverty at ward level, a delegation came across a household traumatised by poverty. It was one of the many rural households that had not lost the spirit of self-help, in spite of the difficult circumstances under which they were living. On exploring the cause of the hardship with the woman heading the family, she cited the loss of one of her two cows which were the source of her livelihood and milk for the family. The cow had died from electrical shock from loose and illegal electrical connections in her surroundings. Moved by the episode, the government leader immediately made a cell phone call to the senior managers in the Department of Social Development exploring ways to address the problem. All that the family needed was a replacement of the lost dairy cow. According to the Public Finance Management Act (PFMA)\textsuperscript{28}, a recommended procurement procedure has to be followed in the event that procurement of goods and services is required. While there is value in adhering to the procurement procedures religiously, these may delay government’s response to pressing social problems. The question to be explored further is to what extent do corruption reduction strategies stifle appropriate and immediate responses to hunger and poverty, another critical governance and service delivery issue?

An understanding of institutions and their role in poverty is critical. These institutions come in different forms, both formal and informal. While the intention
is to strengthen civil society productivity by fostering active engagement and co-operation between the society and the institutions, the process and outcomes are not always effective, resulting in a win-lose situation. Some of these operate as banks with rigid frameworks, while others have more diffuse patterns of norms and behaviour about which there is some social consensus, for example the expectation of trust or honesty in particular social interactions.

The attitudes of public servants in India have been described as follows: “Village people often have a bad opinion of government servants. Some of the peasants whom the group met said that the officers came as masters to push and order them around. They seldom had the time to sit down to talk to them, to live with them.”

While government involves bureaucracy it is unfair to simply dismiss government officials as useless. However, there is too often a de-motivating environment under which they operate. Personal interaction with many government workers, at various levels of management in at least six provinces, has been an eye-opener. The perception is that public servants work under conditions in which creativity and independent thought are stifled. Innovation, one of the Batho-Pele principles, cannot thrive in such an environment.

The World Development Report states that poor people are often badly treated by officials and service providers, particularly those of the state, with behaviour that is said to be crushing, angering and frustrating. Poor people have reported rudeness, arrogance, insensitivity and lack of respect from those in authority, which prevents them from contacting outsiders to obtain support.

There are encouraging indications that such behaviour will in the long-term become something of the past in South Africa. The advent of the constitutional democracy is creating an atmosphere of an awakened society. Institutional design should include defining the character, qualities and behaviour desired by all working in public institutions. Poor people want staff who are accessible, who listen and who are patient, polite, sensitive and committed.
Experience locally showed an interest on the part of the poor to work with government in solving their livelihood problems, despite disillusionment about government interest, skills, behaviour and commitment. Poor people want to work in equal partnership with their government. Whilst governments, including the South African one, have started to reach out to community groups it has yet to focus on investing directly in the organisational capacity of poor people to manage resources themselves and to keep decentralised governments accountable. The challenge is to strengthen the pull or demand aspect of the equation rather than the old-fashioned supply approach.

In the early 2000s the World Development report explored the role of institutions in development. The community-based organisations are what the poor resort to because they are closer to them and more likely to be more responsive than the state. When it comes to institutional ratings by civil society in urban areas, in a survey covering a number of countries only 31% of institutions identified as effective were state institutions. The majority of institutions regarded as effective were civil society and community-based organisation (60% of the effective institutions). The pattern was similar in rural areas, with 90% of state institutions rated as ineffective. What is needed is a genuine partnership between the people working for their own development through their own autonomous organisations and government structures, which are truly responsive to the needs and priorities of people as expressed through their own organisations.

One of the main concerns of poor people is the unrestrained abuse of the power of the state. According to the above report, the issue of public officials using positions for economic gain is common, but unfortunately poor people feel powerless to take action. This is in contrast, to some extent, to the South African situation, whereby since 1994 the civil society has become more vocal. Cases in point are the HIV/AIDS activists and the service delivery protests. The opposition parties, NGOs and institutions such as the Human Rights Commission and the Public Protector are beginning to occupy a stronger position.

DOCUMENTS AND BUREAUCRACY
The documents required by the state become instruments of power. They can confer rights but also render poor people vulnerable as those without them cannot claim their rights, whilst to obtain them can cost much in time, humiliation, fees and bribes. Some of these documents are also difficult to keep safe, as they can be damaged, lost, burned or stolen. They are often hard to understand, even by those who are fluent in the official language.

This is observed in South Africa, particularly with reference to access to social grants. In the early days of democracy, in rural parts of uThukela district, the poorest families could not access grants due to the costs of transport needed to access the Department of Home Affairs for Identity Documents (ID) and birth certificates. One of the direct successes of the Expanded Public Works Programme (EPWP) was that it offered the poorest families access to social grants, now that they could afford transport to Home Affairs. The role of the Community Development Workers, as facilitators of development and the government’s response, has addressed the plight of the poor by improving access to home affairs services. These are being decentralised, through the establishment of rural service centres and programmes such as taking services to the people. However, the complex contracts that are part of the poverty alleviation and job-creation programmes have proved problematic. The legal and technical jargon and business plan requirements are but some of the hurdles facing intended beneficiaries.

The use of an application-based approach for the poor to access funds for poverty alleviation programme can be a hindrance to them as it requires well-written proposals. Often it is necessary to make a number of follow ups, which are expensive for poor people who have limited access to telephones and transport.

Those who control the documents are well-placed to extract payments. Bribery in order to obtain documents and to be attended to first have become common features associated with the social security programme. Those who lose documents lose their rights and entitlements. One has however witnessed a great desire and commitment on the part of government to improve performance. The Home Affairs department, for example, has put in place a turn-around strategy,
which may have a positive impact. Part of the problem are the criteria and conditions for funding, such as having a bank account and business plans, which tend to exclude the poor. Rural and under-resourced communities often cannot comply with many of these conditions. Programmes designed by consultants, sometimes unfamiliar with the context and local language, often pose a significant constraint.

Dysfunctional institutions do not just fail to deliver service. Issues such as bribery raise fundamental questions for agencies that design interventions that work primarily through the state. However, the answer does not lie in bypassing the state or in focusing only on poor people’s networks. There is a need to start with poor people’s realities and experiences and focusing on bringing about change at their level while also tracing upwards and outwards the changes in values norms, incentives, roles, processes and policies needed at higher levels to bring about accountability and transparency.

BUREAUCRACY AND SOCIAL TRANSFORMATION

Structural change is necessary, requiring consideration of bureaucratic constraints on development. Administrative development will only help counter underdevelopment and dependency to the extent that it is far more analytic, focused on the organisational behaviour necessary to deliver redistributive policies. In order to achieve this, development administration must reconsider methods, even if it means inventing new ones, to maximise equity in service delivery and ensure effectiveness.

Understanding of the character of bureaucracy is essential for those concerned with programmes of economic growth and social change in less developed countries. Planning for economic growth is an extremely complicated business that involves highly specialised knowledge and skills. The implementation of these plans presupposes deep insights and a keen evaluative perspective. In the context of community development programmes it is common currently to emphasise the ideal of planning by the people, but the crucial point is that this is not given sufficient emphasis. The challenge is that the acceptance of planning by and with the people means successfully diminishing functions and powers of
bureaucracies in matters of planning and development. This, however, does not eliminate the bureaucrat, but creates the need for a new approach by which attributes such as facilitation and mentoring come to the fore.

The assumption for much of the early 1990s, as South Africa emerged from apartheid, was that development would take care of itself. Wallis asserted “symptomatic of this myopia is a widely distributed summary of the Reconstruction and Development Programme, which treated implementation as merely a matter of finance.” As change took place, beginning in the 1990s, the new order posed a threat to the old bureaucratic structures, values and interests. The emergence of the new politicians as the focal point of decision-making disturbed the definition of roles and statuses within the hierarchy, and the political nature of decision-making tended to be another issue of concern. This affected the internal status system of the bureaucracy and also bypassed its special knowledge and side-lined its procedural routine. It is challenging to government, *inter alia*, leading to the resignation of many senior government administrators. The clash of interest between the responsibilities and mandates of politicians and those of civil servants remains a challenge worldwide, including to South Africa.

The bureaucratic culture is tied up with regulation and control. This aspect is one of the main problems in development and poverty alleviation programmes. A tension clearly exists between the “old school of thought” and those who want change; this tension is consequently likely to remain for a considerable time.

The issue of powers and functions of communities is also up for debate, for instance, one may wonder what “community-driven” actually means. Community participation has a hierarchy of meaning, from a mere right to be informed as a minimum, through to full-scale ownership of community facilities at the other extreme.

It is suggested that the legal and policy framework for participation should be strengthened. In other words, the right to participate should be enshrined in law. While the Constitution does provide for participation, there remains the task of putting these rights into practice. This aspect is already provided for in the South
African constitution in the form of rights to public disclosure of information; freedom of association, speech and press; freedom to form organisations; and devolution of authority and finances to the local level. Institutional legislation and incentives are needed to translate laws into effective governance. The challenge is to give real meaning to these rights and create more effective pro-poor institutions accountable to the poor. For this to happen, both political leadership and bureaucracy need a substantial change of focus.

CONCLUSIONS

The identification of the link between good governance and poverty reduction has been explored. A paradigm shift in how we understand poverty in today’s context, attitude towards the resource poor communities, identifying what works in a sustainable way in reducing poverty, is the challenge. The following aspects are critical:

- Strengthening public management and governance systems for making the public sector more responsive.
- Putting more emphasis on qualitative indicators and inculcating the spirit of Batho Pele and uBuntu among those who work with the resource-poor people, who are at the bottom of the pyramid,
- Ensuring that the interventions and programmes of government are holistically empowering, leading to the freedom and development of every person at the bottom of the pyramid and beneficiaries of the social grants, into the whole person(s).
- Ensuring that the economy is caring, inclusive and distributive.

By shining some light further on these issues and others, and taking action, poverty, inequality and unemployment can stand better chances of being reduced. The outcome-based governance and performance approach, already in place in South Africa, are steps in the right direction. It is now a responsibility of the Presidency to lead a process of ensuring that bureaucracies deliver on their key performance areas. The Monitoring and
Evaluation Unit has produced a report on the performance of various government departments.

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