Unearthing the impact of remote social institutions on poverty and social inequality as development challenges: The case of micro-credit in South Africa

Kolawole Emmanuel Omomowo[3]

Abstract

Development and the trajectory to development discourses place overwhelming emphasis on the characteristics of the "developed countries" and how they became what they are. Agricultural mechanization, industrialization and good governance have been identified as some of the drivers of development. Developing countries are advised to follow the same path if they intend to develop. Underlying this view of development is the subscription to the imperative of economic growth as a pre-requisite for development. However, economic growth has not always resulted in inclusive development, hence, the prevalence of intra-national and international inequalities. The prevalence of inequality undermines the gains of economic growth and development, in that there are winners and losers. The limitation of this approach is that human development is viewed as what a society does when they achieve significant economic growth or development. This is a view that sees economic policy as superior to social policy. In a context with high rate of poverty, such as Africa, poverty reduction drives focused on identifying remote institutions that might create or reduce it could be important for achieving inclusive development. This is based on the view that poverty is a development challenge in Africa and its reduction is an important step to the reduction of inequality. The case of the consumption of micro-credit in South Africa is used to illustrate how a seemingly remote social institution could foster or reduce poverty in concerned households.

Keywords: *poverty, social inequality, development, micro-credit, precarious prosperity*

[3] Kolawole Emmanuel Omomowo is a senior lecturer in the Department of Sociology, University of Namibia, where he teaches sociological theory. His research interest is broadly focused on social policy, and particularly on the intersection between poverty, as a level of social wellbeing, and the purpose and dimensions of microcredit consumption using the political economy theoretical framework.

Correspondence concerning this article should be addressed to Kolawole Emmanuel Omomowo, Department of Sociology, University of Namibia. Email: komomowo@unam.na

The discourse of global inequality can be conceived at the levels of intra-national and international inequalities. The international discourse of inequality can be considered at the levels of Gross Domestic Products (GDP) between different countries and per capita income between individuals in different countries. We can further compare countries based on a composite index such as the Human Development Index (HDI), which includes health, education and income, measured in life expectancy, mean/expected schooling years and standard of living (UNDP, 2013a; 2013b). However, we have to take into consideration the limitations of aggregation and averages as they relate to the level of social well-being of a particular society. One of the fundamental limitations of aggregation and average is inequality. This is reflected in the limitation of gross domestic products and per capita income, which hides the level of inherent inequality in a society (Giannetti, Agostinho, Almeida & Huisingh, 2015; Stiglitz, 2009).

The theory of normal distribution arguably proves this limitation. Normal distribution is a theoretical probability construct that applies to biological, physical and social sciences' variable occurring naturally. However, this theoretical position cannot be replicated in real life empirical observation. For instance, income distribution among the population of a country is rarely normally distributed because of the high level of inequality (Weinstein, 2010). Sen (1999, p. 1997) makes a distinction between income and economic inequality arguing that income cannot be equated to well-being. It still has to be converted to quality of living which is susceptible to intervening variables (innate, social and physical advantages) that are not evenly distributed between individuals. It implies that with the same income, individual A and B might not achieve the same quality of living.

We can also broadly compare developed and developing countries. There seems to be a positive correlation between levels of development and GDP per capita and HDI. Modernization and dependency theories are opposing ends of the continuum in development discourse. While the former suggests that developing countries must toe the same path taken by developed countries in order to develop, the latter argues that the cost of development of the developed countries is the underdevelopment of the developing countries (See Fukuyama, 1992; Frank, 1966; Rodney, 1972; Rostow, 1990). Other positions have suggested that there are different paths to development (Ottaway, 1997). The seeming thrust of international discourse of inequality is therefore that developing countries just need to be developed in order to get rid of global inequality. Even when developing countries achieved development, it will not preclude social inequality, only the social floor will be raised.

Should the quest for development precede the drive for an equal society or vice-versa? This immediately brings the notions of economic and social policies to the fore. The growth thesis of development tends to place economic policy above social policy in hierarchical order, causing a residual treatment of social policy. Economic policy should be the driver of growth and development through market forces and social policy should only be a temporary measure to regularize market failures - a narrow view of social policy (Polanyi, 1977; 2001). Contrary to this, a wider view sees social and economic policies as mutually embedded to foster social well-being. Beyond redistribution, social policy performs multiple tasks of production, reproduction, social protection, social cohesion and nation building to foster social transformation (Adesina, 2007; 2009; 2011; Hall & Midgley, 2004; Mkandawire, 2004; Titmuss, 1970). Therefore, any conception of development that is human-centered must treat economic and social policies as mutually embedded. It further suggests that social policy is complementary to economic policy and serves a development agenda.

Further to international discourse of inequality is the intra-national consideration of inequality. At this level, the gains of economic growth and development may be usurped by high levels of inequality. The limitation of per capita income (average) is revealed by the levels of inequality measured in Gini Coefficient. It is my contention here that inequality is better engaged at this level; at least it should precede its international consideration. However, we cannot start to discuss inequality and development in Africa without due attention to poverty which is the biggest form of inequality and development challenge (Mafeje, 2001). If we take poverty to be at the core of inequality in Africa, then an engagement with poverty is, at the same time, an engagement with inequality and development. According to Ikejiaku, (2008; 2009a; 2009b) Africa is still bedeviled with the challenge of absolute poverty, which must be dealt with before we can talk of relative poverty.

Locating poverty discourse within the framework of political economy immediately connects it to social reproduction and the satisfaction of the three modes of consumption necessary for any society to subsist. Production, distribution/exchange and consumption are imperative for the continuous existence of any society (Pack, 2010; Marx, cited in Arnot, 1940). Without discounting the immense contribution of Karl Marx with regards to the power relations that ensue in the course of the social relations of production (Heinrich, 2012), I will be limiting my attention to the imperative of consumptions for the quality of social reproduction of a society. Therefore, for a society to exist, it must continuously satisfy productive, individual and collective consumptions, dispensed by the institutions of the economy, family/households and the state respectively (Dickinson & Russell, 1986).

Wage-labour and capital interacts for production in the economy while being fueled by productive consumption. The wage fund due to labour power in production is the source of individual consumption for the social reproduction of the family/households. The nature of this production relation has been variously conceptualized (Heinrich, 2012; Marshall, 1890[1920]; Pack, 2010). If social well-being is at the heart of production, then collective consumption must be treated as part of individual and productive consumptions. Individual consumption to foster social well-being is imperative to production (which pays wage fund for labour power) and collective consumption in the form of social cooperation or social policy. Social policy cannot be limited to what government and the private sectors do, but all forms of social cooperation (including informal social cooperation) are important (Adesina, 2009). The challenge of individual consumption, due to low wage fund and other unforeseen circumstances, without a system of collective consumption could cause poverty.

I argue in this paper therefore, that when the interaction between the economy, family/households and state, in dispensing productive, individual and collective consumptions, cannot deliver socially acceptable level of social well-being, other institutions will lock in the interstices between them. I look at micro-credit institutions, within the South African context, as one of the institutions filling the gap in the satisfaction of individual consumption. The patronage of these institutions is a form of individual response to this challenge in the absence of well-structured collective response. The patronage of micro-credit institutions will in turn have positive or negative implications for the quality of social reproduction of concerned households. These are seemingly remote institutions to the discourse of poverty that might foster or reduce poverty and inequality. By remote institutions, I mean those institutions that seem distant from poverty, but have implications for its increase or decrease.

Literature Review

Poverty – A Brief Look

The discourse of poverty, Lister (2004) argues, should be focused on its contested conception, definition and measurement. However, the dominant view reflects the prevailing socio-economic ideology often championed by international agencies such as the World Bank and United Nation Development Programme (UNDP). The conception of poverty and its definition can be viewed as a concentric circle, which increases with degree of broadness from concept through definition to measurement. Concepts speak to the different approaches to poverty, which instruct its definition and measurement while emphasizing the broad discourses of poverty (Lister, 2004). Defining poverty is what separates “the non-poor” from “the poor,” while the measurement of poverty in headcount and depth operationalizes its definition (Noble, Ratcliffe & Write, 2004. p. 3). Poverty has been variously conceptualized as absolute and relative deprivation, capabilities and commodity deficiency and social exclusion (Noble et al., 2004). Further to the definition and measurement of poverty, which are descriptive, Jones (2006) argues for understanding and explanation which are imperatives in how it is to be dealt with.

From the foundational research of Rowntree and Booth, in the 1890s (Spicker, 1990), in the United Kingdom different conceptual explanations have been offered for poverty (Gordon, 2002; Townsend, 2009). From its early subsistence view, it has been conceptualized as deprivation of basic needs, absolute and relative deprivations, lack of capabilities to live a life that is valued, social, exclusion, culture and structure of poverty and social inequality. This conceptual spectrum can be grouped into material, relational and symbolic views of poverty (Baulch, 1996; Lister, 2004). The various conceptions are described by Lister (2004) as “material and non-material wheel of poverty” (p. 8). For her, structurally-conditioned interrelated material core and non-material (relational/symbolic) rim are imperative to the conceptions of poverty. Baulch (1996) categorizes the different conceptions into those that focus on private consumption, those that emphasize common property and social provision in addition to what he called “a pyramid of poverty concepts” in order of broadness. For him, a broad conception of poverty must take into consideration physical and human capital, plus human dignity and freedom.

Absolute poverty is taken to be objective conception because it does not define poverty in relation to a reference group, time and context (Noble et al., 2004). It remains a dominant conception of poverty informed by *subsistence* and *basic needs* view of poverty hence income is used to define poverty. People earning below the set income needed to achieve subsistence in terms of body caloric needs are deemed as poor. Social services, such as education and health are added to subsistence requirement in the basic needs approach (Gordon, 2002). This conception of poverty is synonymous with the poverty line - “the monetary cost to a given person, at a given place and time, of a reference level of welfare” (Ravallion, 1998, p. 3).

Relative poverty emphasizes the relational aspect of poverty, with very strong link to inequality in poverty discourse. Poverty is defined vis-à-vis a reference group and income necessary for socially acceptable standard of living that affords people the opportunity to participate in their society’s normal activities. Relative poverty can be used with regards to different time periods, groups or persons (Noble et al., 2004; Townsend, 1979). The achievement of reference living standard takes into consideration the provision of social services/goods and historical antecedence (Townsend, 1987; 1993). It is measured with “socially perceived necessity,” “Townsend’s deprivation index” and survey of income and expenditure (Noble et al, 2004, p. 3; Townsend, 1993, p. 117).

Sen’s (1999; 2009) *capabilities poverty* is a ground-breaking shift in the conception of poverty. Capabilities and commodities’ deprivation are seen as pivotal to the notion of poverty. While capabilities might be viewed in absolute terms, commodities needed to achieve them are informed by individual advantages which may be innate individual abilities, social and physical contexts. This is what Sen referred to as the notion of conversion of commodities (monetary and non-monetary) to living or functioning (Sen, 2009; Noble et al., 2004). In this notion, poverty is connected to people’s lived experiences, rather than making assumptions on the income or resources available to people. The freedom to choose a life one values differentiates the non-poor from the poor. Therefore, poverty is viewed as “the denial of choices and opportunities for a tolerable life” or when the life people live is devoid of human dignity, in terms of access to basic amenities (Nussbaum, 2003; 2011; UNDP 1997, cited in Gordon, 2002, p. 62). This idea is associated with the development of the HDI by UNDP.

Social exclusion has been viewed as a concept that seeks to replace or complement poverty in the literature. However, the latter view seems to take prevalence over the former. People’s capability to be involved in the normal activities of their society is highlighted. Lack of capability to participate could be instrumental or constitutive of deprivation in relational view of poverty. The Bristol Social Exclusion Matrix (B-SEM) is used to measure social exclusion (Abrams & Christian, 2007; Levitas, Pantazis, Fahmy, Gordon, Lioyd & Patsios, 2007; Millar, 2007; O’Reilly, 2005; Sen, 2000).

There are other conceptions, dimensions or characterization of poverty such as transitory poverty, chronic poverty, and catastrophic poverty (Martins, 2007; White et al., 2001). Without dwelling on the details here, it is deemed fit to mention Ikejiaku’s (2008; 2009a, p.3: 2009b) notion of “poverty qua poverty” with particular reference to poverty in Africa. “Poverty qua poverty” is qualification of the notion of absolute poverty by infusing it with particular African experiences. In addition to the deprivation of basic needs, poverty in Africa is characterized by “hunger, thirst, poor health and living without decent shelter… not being able to read… chronic sickness… not finding any opportunities for you or your children; it is about being pushed around by those who are more powerful” (Ikejiaku, 2009a, p. 6). He argues that poverty is first absolute before it is relative. For him, the eradication of absolute poverty immediately activates the relative consideration of poverty. Africa first needs to deal with the problem of absolute poverty before she can think of relative poverty, unlike in the developed countries (Ikejiaku, 2008; 2009a).

Ikejiaku (2009b) argues that the prevalence of conflict and political instability cannot be divorced from “poverty qua poverty” in Africa. A condition exacerbated by corruption, lack of good governance, social security and social goods. He further asserts that with the significant proportions of African population living in poverty, economic growth will be stifled. A broad contextual engagement with poverty, rather than individual approach, is important for Africa because of its prevalence. Poverty is therefore a development challenge that requires fundamental reforms (Mafeje, 2001). The incidence of poverty in Africa remains very high, sequel to the international effort of the Millennium Development Goals (MDGs) and the heralding of the Sustainable Development Goals (SDGs). Over 42% of Africans lived in poverty in 2012 at the international poverty line of $1.90 per day, at 2011 purchasing power parity (World Bank, 2016). With over a decade of sustained economic growth rate of around 5%, Africa has failed to significantly reduce poverty. It only managed a reduction of about 14% between 1990 and 2012 (African Development Bank, 2014; World Economic Forum, 2015). White et al. (2001) conclude that the market and state has failed Africans.

Poverty as Well-being

For the purpose of this paper, poverty is defined as the level of well-being or "quality of social reproduction", whose criteria are variously defined by different conceptions. It provides the opportunity to link poverty to social reproduction and social policy. Particular level of well-being, according to the various conceptions, is viewed as poverty. Well-being therefore becomes the object of political economy on the satisfaction of the various consumption needs.

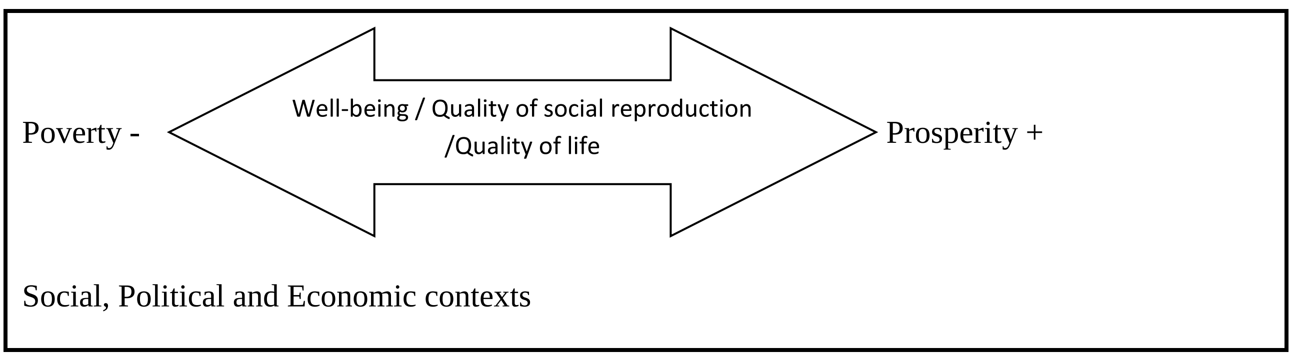

Figure 1. Poverty as well-being

Source: (Omomowo 2015)

The notion of poverty as well-being draws on Sen's (1997; 2008) distinction between income and economic inequality to emphasize achieved functioning as imperative to his capability conception of poverty. It means the analysis of poverty should not be limited to income and expenditure, but the kind of life that people can live with it. Therefore, the capability to covert income to a valued functioning or living becomes important. This is what is described as well-being achievement. An undesirable or socially unacceptable level of well-being achievement can be conceived as poverty. Figure 1 above is a framework which depicts poverty as a level of well-being. Poverty and prosperity is taken as the opposite ends of a continuum, to show that different points between them represent different levels of well-being. The level of the quality of well-being improves the further away one is from the poverty, and the closer to the prosperity end of the continuum. Proximity to the poverty end of the continuum suggest "precarious prosperity," discussed in the next section.

In a context with high rate of poverty, such as Africa, poverty reduction drives focused on identifying remote institutions that might create or reduce it could be important for achieving inclusive development. This is based on the view that poverty is a development challenge in Africa and its reduction is an important step to the reduction of inequality. The case of the consumption of micro-credit in South Africa is used to illustrate how a seemingly remote social institution could foster or reduce poverty to unsuspecting concerned households. This approach will ensure that the effect of the consumption of micro-credit on the well-being or the quality of social reproduction of concerned households can be established. While the income and expenditure proxy to the understanding of poverty remains important, the identification of embedded institutional causes of poverty could be an important addition to how we treat poverty as an assault on social well-being.

Precarious Prosperity – Poverty Range

For the purpose of this study and the treatment of poverty as level of well-being, I used the notion of "poverty range" to refer to households living in the condition of "precarious prosperity" (Hübingers, 1996, cited in Budowski et al., 2010). These are household that live outside secured prosperity threshold, though they are above the poverty line. They live very close to poverty; hence, their prosperity is fragile and unsecured. They are susceptible to dropping below the poverty line from various forms of shocks. This category of people is not often the focus in poverty discourse. The UNDP describes the little achievement of Africa at reducing poverty in the MDGs progress report of 2015 as fragile and vulnerable to relapse from shock (UNDP, 2015).

This category of people, for example, is referred to as "non-poor insecure" in the 2014 Uganda Poverty Status Report and they constitute approximately 43% (using a threshold of twice the local poverty line) of the population (Ministry of Finance Planning and Economic Development, 2014, p. 9). I take from this treatment and apply it to the South African case. South Africa uses three poverty (food, lower-bound and upper-bound) lines. They were rebased using the 2010/2011 Income and Expenditure Survey figures to R335, R501 and R779 (Statistics South Africa, 2014, 2015). I take "poverty range" to be from lower bound poverty line to double upper bound poverty line (R501 – R1558) here. It is my argument that the consumption of micro-credit could have negative implications for well-being. Remote institutions, such as micro-credit in this case, might be responsible for deepening poverty.

South Africa in Context

The contemporary or post-democratic South Africa society emerged from the history of colonialism, segregation and apartheid, defined by different power constellation at different periods while also defined by the confluence of race, class and power relations (Magubane, 1979, 1986; Terreblanche, 2002). Cutting across these stages is the history of cheap labour-power, rooted in the migrant labour system (Wolpe, 1972). Magubane (1979) contends that the trajectory of South African history feeds into European settler colonialism, informed by different stages in the development of global capitalism and imperialism, which results in "a pyramid of wealth and social power" (p. 1). These different power formations are what Terreblanche (2002, p. 15) referred to as "power constellation." The hierarchy of wealth and social power is racially defined and they are the foundation of social inequality in South Africa, which can be located within the structural divide between developed and the developing worlds (Magubane, 1979). In Magbee's (1996) view, the assumption of power by a racist state in South Africa, backed by British Imperialism, effectively heralded white domination of black Africans. Hence, racism, reinforced by racial legislations, was at the base of exploitation.

Apartheid laws were enacted to foster white capital accumulation and black African pauperization through low wages, which reached its zenith in the migrant labour system (Magubane, 1996). The legacies of racial and social inequality, prevalent in apartheid South Africa, persist in post-apartheid South Africa. The seeming alignment of the state to global forces, at the expense of domestic social forces tends to undermine development (Carmody, 2002). Beyond alignment to global forces is the wholesome adoption of flexible work practices leading to the sustenance of cheap labour in growing atypical employment and low wages (Altman, 2007; Omomowo, 2010). The flexible work and low wage regime has led to the crisis of social reproduction and transfer of the burden of social reproduction to the workers (Bezuidenhout & Fakier, 2006), pushing them into precarious prosperity (poverty range) in the absence of well-structured collective consumption. Arguably, this is partly accountable for the consumption of micro-credit to smoothen individual consumption. Post-apartheid South Africa is defined by high rate of flexible labour market, unemployment, low wages, poverty, social inequality and targeted social security provision (Altman, 2007; Go, Kearney, Korman, Robinson & Thierfelder, 2010; Tereblanche, 2008; Yu, 2012).

Methodology

The argument in this part of the paper is drawn from a small scale qualitative research into the activities of micro-credit institutions in South Africa and the implications of credit consumption for the quality of social reproduction of households (Omomowo, 2015). A qualitative case study research design, instructed by the research questions, ontological disposition and epistemological position was adopted for the study (Chadderton & Torrance, 2011; Yin, 2009). “Practical field experience” inform the decisions that were taken in the course of the study, as well as grounded theory research method, adapted with critical realism (Charmaz, 2006; Danermark, Ekström, Jakobsen, & Ch. Karlsson, 2002; Glaser, 1992, 1998; Glaser & Strauss, 1967; Strauss & Corbin, 1990, 1998). Cape Town and Pretoria were used as study sites because they avail the opportunity to learn about the research problem (Stake, 1998). The data were aggregated for analysis as there were no comparisons intended between the study sites.

Theoretical, snowball and purposive samplings were employed to select participants for the study. In theoretical sampling, emerging theory purposively inform data collection and analysis in a back and forth fashion. Substantive theory building gives direction and substance to purposive sampling. Snowball sampling was used for referral to get participants for the study. Semi-structured one-on-one in-depth interviews were used for data collection (Kumar, 2005; Miller & Glasner, 2011). A total of 54 interviews were conducted, consisting of thirty-six life histories interview, thirteen micro-credit interviews, four cultural interviews and one legal interview. Grounded theory's "constant comparative method" and critical realism's "analytical model" were used for data analysis. The use of thought process (induction, abduction and retroduction) facilitates understanding, interpretation and explanation as well as conceptual abstraction. To allow for confidentiality, all names in the findings' section are pseudonyms.

Findings

Administration of Micro-Credit in South Africa

Micro-credit administration process in South Africa includes institutions and people that are involved in the supply and demand of credit. Micro-credit consumption in South Africa is usually aimed at smoothening individual consumption as opposed to productive investment (Daniel, 2004). Large chunks of micro-credit go to individual consumption with less than 20% market share going to microenterprises (Calvin & Coetzee, 2010). According the National Credit Act No.34 of 2005 (NCA, 2006) micro-credit includes unsecured credit, short term credit and developmental credit for housing and microenterprises. The providers of micro-credit are commercial banks, micro-lenders, micro-development organizations, non-profit microenterprise lenders, cooperative and alternative banks. However, this study is specifically focused on Cash Loans, retail goods creditors and informal moneylenders (Mashonisa). Cash loans advance cash credit to wage/salary earners, pensioners and social grants beneficiaries. Retail goods creditor deals with household good and clothing hire-purchases and Mashonisas give small cash loans to people in their neighbourhoods.

Key credit institutions in South Africa are the credit providers, the National Credit Regulator (NCR), Credit Bureaus, National Consumer Tribunal and Debt Counselling. Policy direction is provided by the Department of Trade and Industry (NCA, 2006; Calvin & Coetzee, 2010). The credit granting process starts from application through evaluation, approval to disbursement and repayment. At the core of the credit administration process is the affordability test, which pitch credit applicants' income against their monthly expenses to determine whether they will be able to afford the monthly repayment instalment of the new credit application. For the informal moneylender, existing customers' guaranty is a required condition to take on a new client. Affordability test emphasizes monthly instalments, and not the real cost of credit. Credit consumption decision is therefore not informed by the total cost of credit, but by the monthly repayment instalments.

The study reveals that micro-credit application process (micro-credit relationship) in South Africa is initiated when a potential credit consumer approaches a credit provider (supplier) branch/shop office to apply for credit. Customer consultants receive credit application at branch/shop level, with the required documentation – pay-slips, bank statement and proof of residence. Employments are verified telephonically and credit histories are pulled from the credit bureaus. Credit applications are evaluated by Query Line Managers based at head offices of micro-credit providers. Customers with impaired and adverse credit listing at the credit bureau and those under credit reviews (debt counselling and loan rescheduling) are not granted credit. Henry, a branch manager at one of the major micro-credit provider institution in South Africa and Sarah, a branch manager of a cash loan outlet in Cape Town highlight, in their own words, requirements to be met in order to access micro-credit:

> …What happens is that you come in as a client and say you want a loan… We request from you three months' bank statement to see trends, okay, and also for fraud… your identity document and your pay-slip. The criteria still remain the same; you have to be working permanently and getting paid monthly. That is the number one; we then ask the client if we can do a credit check on them. We do the credit check; if we are happy with the credit scoring we will then continue processing the loan for you. If you then do qualify for the product, the loan process takes about three working days… three working days for the loan process to go through, the money is going to be in the bank account. Every month on the desired date, or pay-date in other words, we will then debit your account… like I said you sign a debit order form and we will then debit your account every month (Henry: MC3).

A similar procedure was outlined by Sarah (MC5)

> "…when the clients come in we establish his affordability by looking at his pay-slip, at his bank statement, looking at the loans that is going off from his bank statement, and to see if he qualifies according to the legislation that was established in 2007. I'm the manager of

> this branch, and we try to help people that can't be … be helped by commercial banks in South Africa. So as we are a private institution with private money we try and supply loans to the lower income group in South Africa… the client comes in with copy of his identity document, three months bank statements and pay-slip… Official application is to be filled-in with the document of his income and expenditure, then this information is mailed to our head office in Johannesburg where they will look at his existing credit bureau situation - if he's on bureau and for what reasons he's been noted at credit bureau. If there is any mishap regarding repayment from him, then obviously we would not grant a loan to him"

After loan approval and acceptance by the customer, the loan or retail goods are disbursed or delivered. The credit relationship is sealed legally at this stage, and credit customers are expected to meet-up with monthly repayment instalments. The repayment of the credit principal amount with associated costs has implications for the monthly real income of households. If credit consumption is viewed as advance gratification, its repayment might deplete the real household income in the long run. The study revealed that affordability of monthly instalments repayment is prioritized in granting credit, compared to the cost of credit in South Africa. Affordability and other requirements for granting credit are informed by credit suppliers' intention to ensure repayment or avoid non-repayment. However, important to the social reproduction of credit consumers' family/households is how the repayment of credit principal amount will affect the quality of their social reproduction. Henry and Sarah were succinctly clear on the centrality of affordability in credit application assessment: According to Henry (MC3) "affordability plays a major role in giving the client the product or not… There is (sic) other stuff that we look at, employment, you know, how long the client has been employed… So those are the specific criteria that we do look at; affordability, credit name and employment."

Beyond affordability, which speaks to the supply side of micro-credit provision, the demand and consumption of micro-credit have implications for the concerned family/household. Credit must be repaid with cost. The study's findings show that there are several costs associated with micro-credit consumption, in addition to interest charges. Other micro-credit charges, which varies between cash loan and retail goods credit, include initiation, administration, disbursement, service and service providers' fees. A credit life insurance might be required for a retail goods credit. All these charges plus the interest are captured in the composite Annual Percentage Rate (APR) (Calvin & Coetzee, 2010; Feasibility, 2011). According to Koko (MC7), an admin officer at a furniture retailer in Pretoria "…there are no hidden anything… Your repayment amount, your interest rate, your service fees… everything is on the contract. It's visible for the customer… Because on our contract they calculate service fees, initiation fees, your interest rate, and the goods that you are buying, everything will be calculated there."

Vangile (MC8), a query line manager at a micro-finance bank in Pretoria highlighted the non-interest fees associated with micro-credit in South Africa:

> There are other charges that we charge; service provider's charge, registration fees, administration fees. Remember, a bank like ours does not have surplus cash sitting somewhere, we also have to get cash from elsewhere, you know. So, charges like admin fees is to get say… we work with Stanlib and Standard Bank, we need to pay the administration to Standard Bank… You needed to be charged for that, our bank cannot take the responsibility for what I give you.

Repayment of principal amount and costs, with consequent depletion of family/household real income, when micro-credit is used to smooth individual consumption, and not productively invested, will have implications for the quality of social reproduction of the household. This has been described as the socio-economic consequences of micro-credit (Bayulgen, 2013; Soederberg, 2013). I looked at the socio-economic consequences of the consumption of micro-credit by low income family/households in South Africa in the next section.

Micro-Credit Consumption and Social Reproduction

The study reveals that the implications of the consumption of micro-credit for the well-being of households are determined by the purpose and dimension at which credit is consumed. A clear distinction must be made between productive consumption of micro-credit and when it is used to fill the gap in individual consumption. The increase in household real income is possible with productive consumption of micro-credit, if the investment yields profit. However, when micro-credit is consumed to fund individual consumption, it can only result in the reduction of household real income as a result of the loan repayment, with costs, from subsequent months' household income.

The study also revealed that the dimension of credit consumption is important for how it will affect concerned households. The drive or motivation to consume credit by households instructs their positioning on the dimension of desperation, needs and choice. Treated as a continuum of desperation – needs – choice, these different dimensions affect the power of households differently in a credit relationship. This, will in turn, affect their assessment of credit offer and it also determines its location in the social reproduction of households. When credit consumption is informed by desperation, consumers' power in credit relationship is at its lowest. There is no time for proper assessment of terms of credit and to look for alternative credit sources. Credit consumers are desperate when credit is sought for things such as food or medical emergency.

Credit consumers' power is also very low at needs dimension. Credit may be required for consumption needs that households must satisfy in order to maintain their level of social reproduction. Things such as school fees and uniforms might fall in this category. There is also little time to consider alternatives here. The choice dimension of credit consumption is when credit is required for things that a household can do without, and it will not affect the level of their social reproduction significantly. Dish washer is an example of what will qualify as choice dimension of credit consumption. The household have a choice to take or not to take credit at this dimension, similar to Sen's (2009) conception of capabilities approach to poverty as the freedom to choose a functioning one values.

As indicated above affordability is at the heart of micro-credit granting in South Africa. Other important considerations are formal employment and good credit history. Apart from mortgage, the purpose for which credit is requested is not prioritized by credit providers. This was clear from Vangile (MC8), a query line manager's sentiments: "It's just plain simple; if you can afford it we will give it to you. For whatever reason that you take it up for, it is your baby."

The purpose for which credit is required can also reveal the dimension of consumption. Prevailing purpose for which credit is consumed includes food, transportation, medical bills, school uniforms, overdue existing credit instalments, tuition fees, credit consolidation and household goods. Ma Ntombi (MC10), a part-time domestic worker said

> …like when the kids are sick because we don't have a medical aid… We go to a "mashonisa" [informal moneylender] and loan the money because we must take the kids to the hospital… Sometimes we don't have electricity because we can't buy enough electricity for the whole month... then we go to "mashonisa" or there is something that is an emergency.

An informal moneylender, Lerato (SR 30), who is unemployed with only the husband working in the household gave her own reason as: "Sometimes we can't manage to buy uniform for our young children, so we have account to buy uniforms for school at Ackermans… R200 every month… No, not only uniforms, sometimes it is for winter clothes, sometimes for Christmas."

Teballo's (SR 9), a subcontracted cleaner at the University of Pretoria, perspective was that:

> I only survive when I go and borrow money from a "mashonisa" [informal moneylender] … I have Mr. Price account on which I pay R150 every month. I bought a fridge, on which I am paying R150 per month as well, and I have to eat and send some of the money home.

Interviewees raised the issues of lack of access to health, electricity and clothing to participate in the society. They borrow to meet all these needs. Their desperation is reflected in their words. There is no choice and no time to consider alternative credit sources or have a say on the terms and conditions of the credit. One of the consequences of the gradual depletion of household income, in the long run, due to loan repayment (principal amount plus the cost of credit) is over-indebtedness and debt cycle or trap, because micro-credit was not productively invested. Rather, it was used to smoothen individual consumption. Tebogho's (SR 14), an antiretroviral (ARV) data capture personnel at Delft clinic, comment about how she is "sinking in a titanic" of debt is instructive:

> … I was paying this furniture there, the divider there, the fridge, the mirror and the machines... Then I decided in January this year to obtain a loan from African Bank to settle all of my accounts. I had a loan [from] African Bank; they are disturbing me now… Then I have to settle that one as well in January. It was R22,000 and some odds… I was also having the one for the fridge and the one for the machine and other shops now for the clothes. But applying for a loan at African bank is very easy, but it's so frustrating because you'll pay until I don't know, five years… and their interest is sky-high… I decided to go to Capitec [bank] because I was so fed-up of having those phone calls from the shops like RCS and Joshua Doore and stuff… then Capitec [bank] settled that African bank loan, the big one that I have. It was like now R38,000 that they settled for me. And then they settle that Joshua Doore and RCS… Capitec [bank] said they are not going to settle the credit card that I have at African bank. So I am left with that credit card at African bank."

Unathi's (SR2), a cook at a dance school at Waterkloof, Pretoria, words clearly indicate debt cycle trap and is telling:

> For clothes and for my daughter, I can't buy cash, you see. Sometimes she wants something urgently, [that] I don't have … and it's very expensive too, very expensive. One of these days I am going to close it and see how I am going to live without it. I am going to close it this year… I cannot get along with it because it is… you pay and pay and pay and pay, you don't... It is not okay, anyway I am going to close it.

In the final analysis the study shows that micro-credit consumption does not guaranty improved quality of social reproduction when it is at desperate and need dimensions. It became clear that credit consumption by those within "poverty range" (low income earners) could result in bad debt, debt cycle, over-indebtedness, garnishee order, property attachment and credit administration because credit is used to fill needs-income gap necessary for social reproduction. When credit consumption affects the socio-economic conditions of this category of people, it can increase poverty and social inequality as the example below illustrates:

> It is hard … because I am now at administration. I ended up at credit bureau, those people ended up interfering with my salary because I'm the one who is working. The lawyers wanted to deduct my money so I ended up going to administration to help me. They call it debt counselling. I am paying those people R750 to pay lots of accounts, ABSA loan, Foschini, and Truworths. So they ended up making it one credit… those administrators, and then paying those debts" (Refilwe: SR 31).

Nicole (SR 8), a sales attendant at Baby World, indicated how desperation could cause a clear disregard for the real cost of micro-credit: "You see, if you are desperately in need of money, you just sign and… because you want the money, you don't check what… the interest is. So, last month I said… no man, something is not right, let me just check… it comes out like R475 on R300."

As indicated by these comments, the consumption of credit at desperate dimension does not leave room to consider whether the cost of credit will later have adverse effects on the household or allow one to properly negotiate the cost and consider alternative sources that might be more favourable. The seeming effect of over-indebtedness due to the desperate consumption of micro-credit to smoothen individual consumption might result into sinking into a debt cycle. The experience of debt cycle was vivid in Teballo's (SR 9) situation:

> I'm renting a room in Mamelodi. I am the one paying the rent. I buy food worth R200, train is R100 and I spend R200 per week on taxi. Still I only survive when I go and borrow money from a "mashonisa". I borrow from them, and do what I needed to do. At the end of the month they take their money from my salary. I take the money, they deduct it, I take the money again, they deduct it again, and on and on like that.

Once she took a micro-credit to smoothen consumption, her monthly real income was depleted and she needed to go back for more credit during the month in order to survive till the end of the month, hence, the cycle continues. Figure 2 below depicts an explanatory model of the consumption of micro-credit to smoothen individual consumption at different dimensions of desperation – needs – choice, the micro-credit administration process and the socio-economic consequences for concerned households. The model was developed from the data analysis using grounded theory constant comparative method, adapted with critical realism explanatory model.

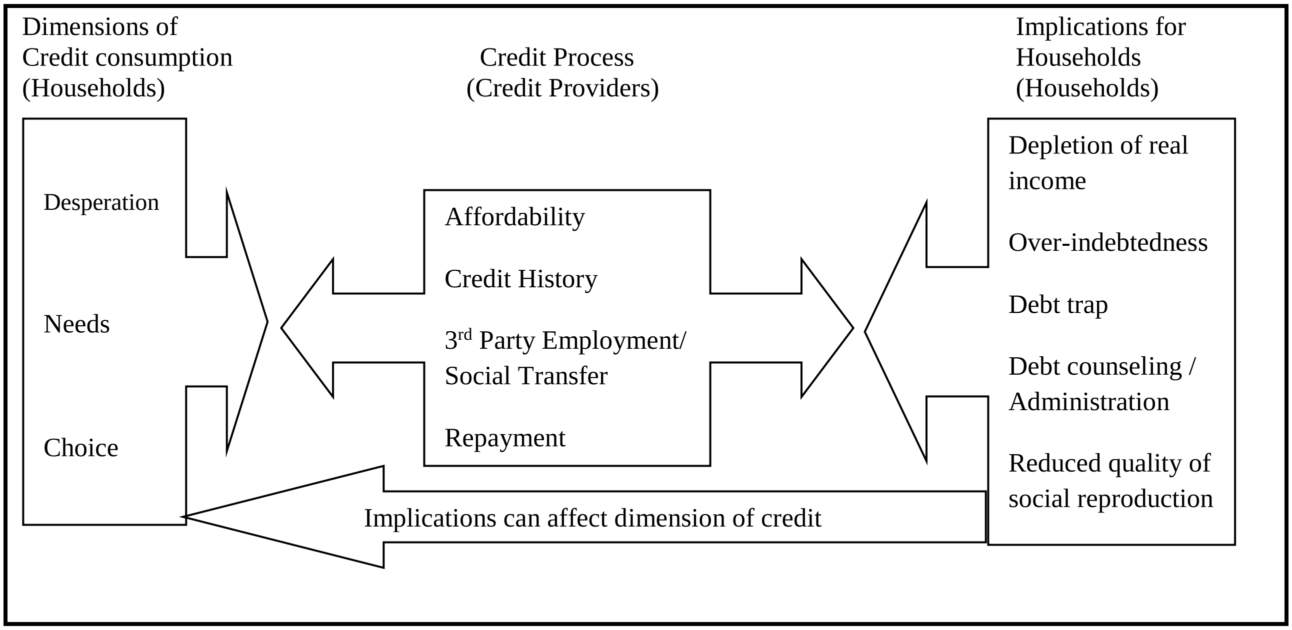

Figure 2. Credit consumption dimensions and implications for social reproduction
Source: Omomowo (2015)

The model (Figure 2) shows the three dimensions (desperation, needs and choice) at which micro-credit is consumed for smoothening individual consumption in South Africa. The decision to consume micro-credit happens at the household level. The drive to consume micro-credit and its location in household consumption for social reproduction informs the dimension of consumption. The desperate and needs dimensions is a position of lack of freedom to consume or not to consume micro-credit. It is a position of weakness where concerned households are sucked into the consumption of micro-credit that might have negative consequences for them in the long run.

After the decision to consume micro-credit, concerned households are subject to (or pass through) the credit administration process. It ranges from affordability test, through application, evaluation, approval and disbursement. Credit history (using the credit bureau database) and nature of employment and/or social grants benefits are important for the evaluation process. The credit relationship between credit providers and consumers is legally consummated at disbursement of cash or delivery of retail goods to applicants. The credit consumer is expected to repay the principal loan amount plus other costs of credit (interest, management fee, credit life insurance etc.). The management of repayment could be difficult for concerned households when credit is not productively invested. Monthly repayment means the depletion of households' real income, which could spiral into different negative consequences, that could result in reduced quality of social reproduction.

The depletion of households' real income gradually leads to consequences such as debt trap, over-indebtedness, debt counselling/administration and the reduction in the quality of social reproduction. These conditions could in-turn inform the dimension at which credit is consumed by households. The cycle goes on as people sink "deeper into a hole" and "calamity" (James, 2014, p. S17; Bateman, 2014, p. 94), and ultimately the reduction in the quality of their social reproduction. It is apparent that micro-credit institutions and consumption could drive people living within poverty range into poverty when they seek individual solution to the challenges of social reproduction. An increase in poverty means there is increase in intra-national and international inequality. Intra-national inequality is a given as people's standard of living is adversely affected and they cannot participate appropriately in the society to which they belong. If poverty is taken as development challenge in Africa, it means lack of development will sustain global inequality.

Conclusion and Recommendation

It is the conclusion here that the discourse of global inequality is best preceded by the discourse of intra-national inequality. In the African context, poverty and social inequality remain huge development challenge, which must be thoroughly engaged. The reduction of poverty at intra-national and intra-continental levels in Africa is imperative for development. Africa's development is critical for the reduction of global inequality. Poverty was conceptualized as a level of well-being that is socially unacceptable to members of a society, which can better be understood and reduced by paying attention to remote social institutions that might often inadvertently push low income earners into poverty. The study of micro-credit institutions in South Africa was used to support this position.

Poverty as a level of well-being posits poverty as a point in the quality of social reproduction continuum, which is viewed as below socially acceptable standard of living. It allows the conception of poverty as a range of precariousness, close to poverty. People earning low income, living within poverty range, are often compelled to consume micro-credit to sustain the quality of their social reproduction. It was argued that the socio-economic consequence of the consumption of micro-credit for this category of people is informed by the purpose and dimension at which credit is consumed. Micro-credit is either consumed for productive investment or to smooth individual consumption. The study found that micro-credit is often consumed to smooth individual consumption at three dimensions of desperation, needs and choice. The consumption of micro-credit at desperate dimensions is found to, in the long run, lead to the depletion of household real income, over-indebtedness, debt cycle, debt administration/counselling and reduced quality of social reproduction.

It is the position here that Africa must engage with its developmental challenges in order to bridge the gap in global inequality. At the heart of dealing with Africa's developmental challenge is the question of intra-national and intra-continental poverty. Poverty reduction endeavours must seek to target remote institutions that might be driving people into poverty, albeit inadvertently. Whilst the achievement of full employment and well-structured collective consumption are imperative for sustained poverty reduction, the excavation of embedded institutions that might reduce the quality of social reproduction of people living in precarious prosperity could also be a sustainable approach to poverty reduction in Africa. This might be particularly imperative in dealing with the challenge of a growing working poor population (Omomowo, 2011) in some African countries' context.

References

Abrams, D., & Christian, J. (2007). A relational analysis of social exclusion. In D. Abrams, J. Christian, & D. Gordon (Eds.), *Multidisciplinary handbook of social exclusion research* (pp. 211-232). West Sussex, England: John Wiley & Sons Ltd.

Adesina, J.O. (2007). In search of inclusive development: Introduction. In J. O. Adesina (Ed.), *Social policy in Sub-Saharan African context: In search of inclusive development.* New York: Palgrave Macmillan.

Adesina, J.O. (2009). Social policy in sub-Saharan Africa: A glance in the rear-view mirror. *International Journal of Social Welfare, 18,* S37-S51.

Adesina, J.O. (2011). Beyond social protection paradigm: Social policy in Africa's development. *Canadian Journal of Development Studies, 32*(4), 454-470.

African Development Bank. (2014). *African development report 2014.* Abidjan, Cote d'Ivoire: Author.

Arnot, RP. (1940). *An introduction to political economy* (3rd ed.). London, England: Lawrence & Wishart Ltd.

Altman, M. (2007). *Low wage work in South Africa*. Pretoria, South Africa: Human Science Research Council.

Bateman, M. (2014). South Africa's post-apartheid microcredit driven calamity. *Law, Democracy & Development, 18*, 93-135.

Bayulgen, O. (2013). Giving credit where credit is due: Can access to credit be justified as a new economic right. *Journal of Human Rights, 12,* 491-510.

Bezuidenhout, A., & Fakier, K. (2006). Maria's burden: Contract cleaning and the crisis of social reproduction in post-apartheid South Africa. *Antipode, 38*(3), 462-485.

Budowski, M., Tillmann, R., Keim, W., & Amacker M. (2010) Conceptualizing "precarious prosperity": Empirical and theoretical elements for debate. *International Journal of Comparative Sociology, 5*(4), 268-288.

Baulch, B. (1996). The new poverty agenda: A disputed consensus. *IDS Bulletin, 27*(1), 1-10.

Calvin, B., & Coetzee, G. (Eds.). (2010). *A review of the South African microfinance sector, 2009: Success, challenges, and policy issues*. Pretoria, South Africa: University of Pretoria.

Carmody, P. (2002). Between globalisation and (post) apartheid: The political economy of restructuring in South Africa. *Journal of Sothern African Studies, 28*(2), 255-275.

Chadderton, C., & Torrance, H. (2011). Case study. In B. Somekh & K. Lewin (Eds.), *Theory and methods in social research* [2nd ed.] (pp. 53-60). Los Angeles, California, CA: SAGE.

Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis.* London, England: SAGE.

Danermark, B., Ekström, M., Jakobsen, L., & Ch. Karlsson, J. (2002). *Explaining society: Critical realism in the social sciences.* London, England: Routledge.

Daniel, R.C. (2004). Financial intermediation, regulation and the formal microcredit sector in South Africa. *Development Southern Africa*, *21*(5), 832-849.

Dickinson, J., & Russell, B. (1986). Introduction: The structure of reproduction in capitalist society. In J. Dickinson & B. Russell (Eds.). *Family, economy and state: The social reproduction process under capitalism* (pp. 1-20). London, England: Croom Helm Ltd.

Feasibility Ltd. (2011). *The cost of credit, access to credit and associated market practices*. Pretoria, South Africa: National Credit Regulator.

Frank, AG. ([1966] 1985). *Development of underdevelopment*. Aldershot, England: Gower.

Fukuyama, F. (1992). *The end of history and the last man*. New York, NY: Maxwell Macmillan International.

Giannetti, B.F., Agostinho, F., Almeida, C.M.V.B., & Huisingh, D. (2015). A review of limitations of GDP and alternative indices to monitor human wellbeing and to manage eco-system functionality. *Journal of Cleaner Production*, *87*, 11-25.

Glaser, B.G., & Strauss, A.L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. London, England: Weidenfeld and Nicolson.

Glaser, B.G. (1992). *Basics of grounded theory analysis: Emergence vs. forcing.* Mill Valley, California, CA: Sociology Press.

Glaser, B.G. (1998). *Doing grounded theory: Issues and discussions.* Mill Valley, California, CA: Sociology Press.

Go, D.S., Kearney, M., Korman, V., Robinson, S., & Thierfelder, K. (2010). Wage subsidy and labour market flexibility in South Africa. *Journal of Development Studies, 46*(9), 1481-1502.

Gordon, D. (2002). The international measurement of poverty and anti-poverty policies. In P. Townsend & D. Gordon (Eds.), *World poverty: New policies to defeat an old enemy* (pp. 53-80). Bristol, England: Policy Press.

Hall, A., & Midgley, J. (2004). *Social policy for development.* London, England: SAGE.

Heinrich, M. (2012). *An introduction to the three volumes of Karl Marx's capital.* New York, NY: Monthly Review Press.

Ikejiaku, B. (2008). African debt crisis and IMF with a case of Nigeria: Towards theoretical explanation. *Journal of Politics and Law, 1*(4), 2-7.

Ikejiaku, B. (2009a). The concept of "poverty" towards understanding in the context of developing countries "poverty qua poverty": with some comparative evidence on Britain. *Journal of Sustainable Development, 2*(2), 3-13.

Ikejiaku, B. (2009b). The relationship between poverty, conflict and development. *Journal of Sustainable Development, 2*(1), 15-28.

James, D. (2014). "Deeper into a hole?" Borrowing and lending in South Africa. *Current Anthropology 55*(S9), S17-S29.

Jones, B.G. (2006). *Explaining global poverty: A critical realist approach.* Abingdon, England: Routledge.

Kumar, R. (2005). *Research methodology: A step-by-step guide for beginners*. London, England: SAGE.

Levitas, R., Pantazis, C., Fahmy, E., Gordon, D., Lioyd, E., & Patsios, D. (2007). *The multi-dimensional analysis of social exclusion.* Bristol, England: University of Bristol.

Lister, R. (2004). *Poverty*. Cambridge, England: Polity Press.

Mafeje, A. (2001). Conceptual and philosophical predisposition. In F. Wilson, N. Kanji & E. Braathen (Eds.), *Poverty reduction: What role for the state in today's globalized economy?* London, England: Zed Books.

Magubane, B.M. (1979). *The political economy of race and class in South Africa*. New York, NY: Monthly Review Press.

Magubane, B.M. (1986). The political economy of the South African revolution. *African Journal of Political Economy, 1*(1), 1-28.

Magubane, B.M. (1996). *The making of a racist state: British imperialism and the Union of South Africa, 1875 – 1910*. New Jersey, NJ: Africa World Press Inc.

Marshall, A. (1890 [1920]). *Principles of economics: An introductory volume* (8^{th} ed.). London, England: Macmillan.

Martins, J.H. (2007). Household budgets as a social indicator of poverty and inequality in South Africa. *Social Indicators Research, 81*, 203-221.

Millar, J. (2007). Social exclusion and social policy research: Defining exclusion. In D. Abrams, J. Christian & D. Gordon (Eds.), *Multidisciplinary handbook of social exclusion research*. West Sussex, England: John Wiley & Sons Ltd.

Miller, J., & Glasner, B. (2011). The "inside" and the "outside": Finding realities in interviews. In D. Silverman (Ed.), *Qualitative research: Issues of theory, method and practice* (3rd ed., pp. 131-148). London, England: SAGE.

Ministry of Finance, Planning and Economic Development. (2014). *Poverty status report 2014: Structural change and poverty reduction in Uganda*. Kampala. Uganda: Author.

Mkandawire, T. (2004). Social policy in a development context: Introduction. In T. Mkandawire (Ed), *Social policy in a development context* (pp. 1-33). New York: Palgrave Macmillan.

National Credit Act No. 34 of 2005. (2006). Cape Town, South Africa: Author.

Noble, M., Ratcliffe, A., & Wright, G. (2004). *Conceptualizing, defining and measuring poverty in South Africa: An argument for a consensual approach.* Oxford, England: CASASP.

Nussbaum, M.C. (2011). *Creating capabilities: The human development approach*. Cambridge, Massachusetts, MA: The Belknap Press of Harvard University Press.

Nussbaum M.C. (2003). Capabilities as fundamental entitlements: Sen and social justice. *Feminist Economics, 9*(2-3), 33-59.

Omomowo, K.E. (2015). *The lords of poverty? Micro-credit institutions and social reproduction in South Africa* (Doctoral dissertation). University of the Western Cape, Cape Town, South Africa.

Omomowo, K.E. (2011). The changing nature of work: The creation of a "working poor" population in post-apartheid South Africa. *Development Southern Africa*, *28*(5), 613-626.

Omomowo, K.E. (2010). *Subcontracting of work and workers' protection in South Africa.* Saarbrücken, Germany: VDM Verlag Dr. Muller.

O'Reilly, D. (2005). Social inclusion: A philosophical anthropology. *Politics, 25*(2), 80-88.

Ottaway, M. (1997). African democratization and the Leninist option. *The Journal of Modern African Studies*, *35*(1), 1-15.

Pack, S.J. (2010). *Aristotle, Adam Smith and Karl Marx: On Some fundamental issues in 21st century political economy.* Cheltenham, England: Edward Elgar Publishing Limited.

Polanyi, K. (2001). *The great transformation: The political and economic origins of our time*. Boston, MA: Beacon Press.

Polanyi, K. (1977). *The livelihood of man*. New York, NY: Academic Press.

Ravallion, M. (1998). Poverty lines in theory and practice. *LSMS Working Paper*, No. 133. Washington, DC: The World Bank.

Rodney, W. ([1972] 2012). *How Europe underdeveloped Africa.* Fahamu, Kenya: Pambazuka Press.

Rostow, W.W. (1990). *The stages of economic growth: A non-communist manifesto*. Cambridge, England: Cambridge University Press.

Sen, A. (2000). Social exclusion: Concept, application, and scrutiny. *Social Development Papers No 1*. Manila: Asian Development Bank.

Sen, A.K. (1997). From income inequality to economic inequality. *Southern Economic Journal, 64*(2), 384-401.

Sen, A (1999). *Development as freedom.* New York, NY: Anchor Books – Random House Inc.

Sen, A. (2009). *The idea of justice*. Cambridge, MA: The Belknap Press of Harvard University Press

Soederberg, S. (2013). Universalising financial inclusion and the securitisation of development. *Third World Quarterly, 34*(4), 593-612.

Spicker, P. (1990). Charles Booth: The examination of poverty. *Social Policy and Administration, 24*(1), 21-38.

Stake, R.E. (1998). Case studies. In N.K. Denzin & Y.S. Lincoln (Eds.), *Strategies of qualitative inquiry*. London, England: SAGE.

Statistics South Africa. (2014). *Poverty trends in South Africa: An examination of absolute poverty between 2006 and 2011.* Pretoria, South: Author.

Statistics South Africa. (2015). *Methodological report on rebasing of national poverty lines and development of pilot provincial poverty lines: Technical report.* Pretoria: Author.

Stiglitz, J.E. (2009). GDP Fetishism. *The Economists' Voice, 6*(8), 1-3.

Strauss, A.L., & Corbin, J. (1990). *Basic qualitative research: Grounded theory procedures and techniques.* London, England: SAGE.

Strauss, A.L., & Corbin, J. (1998). *Basic qualitative research: Techniques and procedures for developing grounded theory* (2nd ed.). London, England: SAGE.

Terreblanche, S. (2002). *A history of inequality in South Africa, 1652 – 2002*. Pietermaritzburg, South Africa: University of Natal Press and KMM Review Publishing.

Terreblanche, S. (2008). The developmental state in South Africa: The difficult road ahead. In P. Kagwanja & K. Kondlo (Eds.), *State of the nation: South Africa 2008* (pp. 107-130). Cape Town, South Africa: HSRC Press.

Titmuss, RM. (1970). *The gift relationship: From human blood to social policy*. London, England: George Allen & Unwin Ltd.

Townsend, P. (1979). *Poverty in the United Kingdom: A survey of household resources and standards of living.* Berkeley, California, CA: University of California Press.

Townsend, P. (1987). Conceptualising poverty. In SM. Miller & Z. Ferge (Eds.), *Dynamics of deprivation* (pp. 31-43). Aldershot, England: Gower.

Townsend, P. (1993). *The international analysis of poverty*. Hemel Hempstead, England: Harvester Wheatsheaf.

Townsend, P. (2009). Three models of social security in the history of the industrialized countries. In P. Townsend (Ed.), *Building decent societies: Rethinking the role of social security in development* (pp. 169-189). Basingstoke, Hampshire, England: Palgrave Macmillan.

United Nations Development Programme. (2015). *MDG report 2015: Assessing progress in Africa toward the millennium development goals*. Addis Ababa, Ethiopia: United Nations Economic Commission for Africa.

United Nations Development Programme (2013a). *Human development reports - Human development index.* Retrieved from http://hdr.undp.org/en/statistics/hdi/

United Nations Development Programme. (2013b). *Human development report 2013.* New York: UNDP.

Weinstein, JA. (2010). *Applying social statistics: An introduction to quantitative reasoning in sociology*. Lanham, Maryland, MD: Rowman & Littlefield Publishers.

White, H., Killlick, T., Kayizzi-Mugerwa, S., & Savane, M. (2001). *African poverty at the millennium: Causes, complexities, and challenges*: Washington, DC: The World Bank.

Wolpe, H (1972). Capitalism and cheap labour-power in South Africa: From segregation to apartheid. *Economy and Society, 1*(4), 425-456.

World Bank. (2016). *World development indicators 2016.* Washington DC: Author.

World Economic Forum. (2015). *The Africa competitiveness report 2015.* Geneva, Switzerland: Author.

Yin, RK. (2009). *Case study research: Design and methods* (4th ed.). Los Angeles, California: SAGE.

Yu, D (2012). Defining and measuring informal employment in South Africa. *Development Southern Africa*, *29*(1), 157-175.