

# Discussion on poverty in south africa



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**Discussion on Poverty and the current situation in South Africa**

South Africa has a population of 47.9 million people (<http://www.southafrica.info/about/people/popprov.htm>) the largest provincial province in South Africa is Kwa-Zulu Natal with 10 million people that is 20.9%. Gauteng is the most densely populated province in South Africa which consists of 9.6 million people. Gauteng is not the biggest province but because of the demand for work and income many people vacate their countries to find work in South Africa, people come from all over such as Botswana, Mozambique and most of all Zimbabwe. Many of these people come to Gauteng because of the working and living conditions in these countries are terrible and people cannot get jobs to afford to pay for their families. This does create and cause a lot of the poverty because not all foreigners can find the work and so then they have no way of leaving because they illegally live there, hence the Xenophobic attacks. Poverty in South Africa has led to many problems in South Africa such as lack of skills, crime and education. Capital is what revolves around these socio-economic issues, because of the demand for capital people with a lack of skills cannot afford school and so they have no education. People have no money without a job and so they have to get capital, this is where stealing comes in and so the only way to obtain capital is to steal, this is why South Africa's crime rate is so high because it is poverty stricken.

South Africa's population is dominated by Africans consisting of 78% in of the total population growing at 7% from 2001 to 2006. The remainder of the population is split as follows, Coloured 8% of the population growing at 5.77%, Indian 2% of the population growing at 4.18% and white 11% of the

population growing at 0.43%. (Population chart Ref South Africa Survey 2004 Institute of Race Relations)- refer to chart 1 and 2-population

### **How Tiger Brands deals with poverty**

Tiger Brands is one of the leading packing businesses in the country. Listed on the JSE. As a large company Tiger Brands has to deal with many CSR related problems, one of their main focuses is poverty, because of their packaging they deal with a lot of food packaging. Tiger Brands have specifically looked at the feeding poverty stricken areas with many children in it. This is the starting point at helping the poverty in South Africa. Tiger has established a feeding and education program that has 17 township committees, 12 mothers clubs, 13 feeding centres and five mobile vans and a number of other methods that deliver food to the poverty stricken areas. I believe this helps poverty stricken people because obtaining food in an everyday struggle and so by addressing one of their main needs does help them a lot and also ables them to survive through the food provided by Tiger.

This project is also sustainable because there is another short term program that is linked to the feeding which is an educational program that will ensure that the people in the area receive education that will allow them to be employed in the future and provide the country with valuable human capital, with the education and feeding programs Tiger Brands addresses 2 of the main corporate social issues, by addressing health they will be able maintain good levels of nutrition and so people will live healthy and so stealing should cut down because of a lesser demand of capital to purchase food, if other companies did this of course. Poverty in South Africa is too high, many major

events will be held in the year of 2010 in South Africa such as the FIFA World Cup Soccer Tournament many people will be travelling from overseas to come and watch this prestigious event and so foreign capital will be coming to the country. Crime rates could affect this and so eradicating poverty could help by lowering the crime rate. If South Africa is seen as a stable place for investment after the world cup, the country can start to see new light with new infrastructure, more capital to aid problems in South Africa, so it is key to portray the country as one that is stable.

### Population according to race-Chart

#### Chart 2 population

Race	2001	2006	Increase	% of pop 2001	% of pop 2006
African	35185040	37648310	7.00%	78%	78%
Coloured	3808770	4028360	5.77%	8%	8%
Indian	1113210	1159720	4.18%	2%	2%
White	5242500	5265030	0.43%	12%	11%
Total	45351521	48103426	6.07%	100%	100%

As a result of poverty and people not being able to live are forced to find new ways in obtaining other sources of food and income. One of the most common ways in obtaining these things is stealing. (Crime Chart Ref South Africa Survey 2004 Institute of Race Relations).

Stealing is related to crime in South Africa and I believe crime is linked to poverty because people have no money to afford a house or food and so they have no way in obtaining basic needs and so they resort to stealing from people in cars, from people's homes. I believe if we reduce poverty within South Africa we can solve crime because less pressure if found on people to support their families through illegal ways.

### **Choice of company**

#### **Discussion on choice of company**

My choice in companies was Tiger Brands, a local company that supplies with a wide variety food stuffs including basic nutrition such as bread, maize as well as canned foods. As Tiger are a local company and have a vested interest and social issues in South Africa their employment policy is directed at the local population because they have a true understanding of some of the problems that Tiger Brands faces. Listed below are some of the areas the compete in

1. Domestic food
2. Consumer Healthcare
3. Pharmaceuticals
4. Hospital Products
5. Fishing
6. Exports of goods

Tiger Brands can be seen on many items in South Africa such as Energade, tomato sauce and bread. I chose Tiger Brands because they are a multinational company, that operates mainly in South Africa and other emerging markets (<http://www.tigerbrands.co.za/Default.htm>) Tiger Brands mission statement is “ to be the world’s most admired branded consumer packed Goods Company in emerging markets”. <http://www.tigerbrands.co.za/Default.htm> I believe this is a very attainable goal for Tiger Brands because they are renowned for good services and quality. Tiger Brands have been involved in a number of scams such as when they increased the price for bread; this would be the only thing stopping them to reach their mission statement because of their reputation.

One of my main influences of choosing this company was because my father has dealt with Tiger Brands before and has background information on it, so information was viable.

Tiger Brands have many advantages and disadvantages for their company which either help to enhance the performance of the company or bring it down, Tiger Brands works on all of their disadvantages because this brings down their name such as the price of bread going up and so they try to better their image after that incident through CSR projects and helping out the public.

**Advantages**

\* Large company = many investors so they can grow to reach their mission statement

\* They have companies in emerging markets and so they have a broader capital intake.

\* They have CSR projects which enhances a positive image in the eyes of the public.

**Disadvantages**

\* Bread price raising crisis that brought down their reputation.

**2010 Vision, Mission, Strategy and Capabilities for Tiger Brands (www.tigrbrands/2010vision. co. za)**

Vision	Mission	Strategy	Capabilities	Value creation
To be the world’s most admired branded consumer packaged goods and healthcare company in emerging	Increase turnover to R30 billion and grow EBIT margin to 20% by 2010	We will achieve sustainable and profitable top line growth by: Transforming the organisation Optimising our business	Ability to attract, retain and develop the best people A reputation for innovation Excellence in	for all our stakeholders in an environment of respect, teamwork, imagination and action-orientation.

		brand
	portfolio	building
	Pursuing	and
	growth	customer
	Organic	and
	Exports	channel
markets	African	managemen
	expansion	t
	Acquisitions	Continuous
	in selected	improvemen
	markets	t

### **Summary of different CSR projects for chosen company**

#### **(Immediate needs education)**

“ Love thy neighbour” Ubuntu campaign, which helps mitigate the socio-economic effects of HIV/AIDS through education and training and entrenches the extended family Ubuntu culture through peer education. The information offered covers a number of topics such as counselling, communication skills, teenage, HIV/AIDS and the use of ARV’s.

#### **Heartbeat**

Heartbeat supports orphaned and vulnerable children by ensuring that their basic needs are taken, care of to ensure they can finish their schooling and live their lives as children.

In 6 years since inception, Heartbeat has successfully partnered projects in 7 provinces, collectively meeting the needs of 5000 orphaned and vulnerable

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children. Heartbeat has developed five programs which contribute to the holistic transformation of the child and consist of different products and services.

### **Unite 4 Health**

Following on from the success of Unite against Hunger, Tiger Brands healthcare company, Adock Ingram launched Unite 4 health in Jan 2006, aimed at supporting efforts to improve healthcare for disadvantaged South Africans. As with its Unite against Hunger initiatives, Tiger Brands aims to ensure the sustainability of Unite 4 health projects by providing funding and supporting infrastructural development that will serve beneficiaries in the long term.

### **Red Cross Children's Hospital**

In June 2005, Unite 4 Health agreed to donate R4 million to the Red Cross War Memorial Children's Hospital in Cape Town. This Hospital is the only specialist centre dedicated to treating children on the African Continent. At the hospital, Africa- specific research on children's diseases and HIV/AIDS not only improves the health of the little patients, but also assists in training doctors and nurses.

### **Soweto Hospice**

The unite 4 health's funding for the Hospice contributed towards the provision of a 24 new bed woman's ward and state-of-the-art facilities to support the large team of professional nurses and volunteers who care for 450 people

Soweto Hospice is now a vital community resource tackling HIV/AIDS complications and various psychosocial issues.

### **Heart of Soweto**

Unite 4 Health committed R2 million in support of a study which aims to track the incidence of cardiovascular disease in a developing world scenario. This study, the first one of its kind in Africa is led by Prof. Karen Silwa- head of the Soweto cardiovascular research unit at Chris Hani Baragwaneth Hospital- in collaboration with experts from Australia and the United Kingdom.

The Heart of Soweto study has initiated the important task of better understanding and monitoring of the emergence of heart disease in the Soweto population. Its significance lies in tracking the incidence of a disease often associated with increasingly affluent lifestyles in one of South Africa's largest urban areas.

### **The environmental control system**

Tiger Brands recognizes that some of its activities and operations may have a negative environmental impact and to this end, an Environmental Control System has been implemented throughout the group to facilitate good environmental management and to ensure compliance with South African national , Provincial and local regulations. Environmental management is driven by the group safety, Health and Environment policy which commit all operations to follow best practice standards and to seek continuous improvement in Safety, health and environmental management.

**Discussion of a specific issue that the company concentrates on****Poverty & Hunger**

As we have read from the above articles Tiger Brands deals with many problems in society and we have learnt with each action they take another is re-acted. South Africa is overwhelmed with starving children, mothers, fathers and people who have shacks for houses if not nothing for a shelter. These are key areas that need attention from the public to help re-enforce their infrastructure and living conditions. South Africa is a Third World country because of the high percentage of people living in no homes and people running short of capital to purchase food, this is why there is a lot of crime because people have no way of obtaining their primary needs such as food, water, electricity and so people resort to stealing.

**(Immediate needs living conditions)**

Hunger and poverty continue to be a reflection of the bigger socio-economic challenges that South Africa still faces. Most of our people do not have access to sufficient nutrition or basic healthcare.

They the most comprehensive array of food and healthcare brands and products that play a huge role in the lives of our citizens. As a good corporate citizen, our objective is to find ways in which to give back to the communities and our country as a whole. 25% of available funds to be used in rural hunger and health initiatives.

Poverty in South Africa can be seen almost everywhere. Every stop street, robot we see people begging because they have no money and they need food and need a shelter for their families. In South Africa we have many

informal settlements such as Diepsloot, Alexander, and Soweto, where many shacks are built and small businesses such as kiosks.

**Malnutrition graph 3**

	Urban Formal	Informal Urban	Commercial Farms	Rural Tribal	National		
Low height for age	17%	19%	19%	31%	27%	25%	22.0%
Low weight for age	8%	8%	8%	13%	13%	11%	10%
Low weight for height	3%	3%	2%	4%	5%	5%	4%

**(Malnutrition institute of race relations South African Survey 2004)**

Fighting off Hunger and poverty increases the positive image Tiger Brands strives for because it's such a big issue in the community.

The Project I have chosen is the ACFS. Tiger Brands whole CSR project revolve around this one and it has many links with different CSR projects they have. This Project is called the African Children's Feeding Scheme.

**African Children's feeding Scheme (ACFS)**

For over 60 years, the ACFS Community Education and feeding project has made a difference in the lives of poverty stricken children by combating malnutrition through feeding and education. The ACFS has 17 township committees, 12 mothers clubs, 13 feeding centres, 5 mobile vans and 6

tricycles that deliver food. Its activities are conducted through several interrelated projects:

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Feeding the malnourished, needy and HIV/Aids affected and infected. The focus is predominantly on children and the project feeds 18 000 children daily and 1 000 families each month. As each family has an average of 7 to 9 people, this means about 8 000 people receive nutritious food parcels every month.

“ Love Thy Neighbour” Ubuntu campaign, which helps mitigate the socio-economic effects of HIV/ Aids through education and training and entrenches the extended family Ubuntu culture through peer education.

“ Care for Children” Programme, which supports orphans and vulnerable children, particularly child-headed households.

Tiger Brands supports ACFS through regular donations of food, which when translated into monetary value over the past 13 months is over R1, 7 million.

### **Living conditions and Communications Table (living conditions institute of race relations South African Survey)**

Types of housing	Formal	Informal	Traditional	Other
	64%	16%	15%	5%
Water	Clean	Borehole/	Stream, well,	

Resources	water	Rain	dam, other		
	84%	3%	13%		
Energy and lighting	Electricity	Paraffin	Candles	Other	
	70%	7%	23%	1%	
Cooking Energy	Electricity	Paraffin	Wood	Coal	Ga Othe s r
	51%	21%	21%	3%	3% 1%
Heating Energy	Electricity	Paraffin	Wood	Coal	Ga Othe s r
	49%	15%	25%	7%	4% 1%
Access to sanitation	Flush lavatory	Pit Latrine	Bucket Latrine	Other/ None	
	54%	28%	4%	14%	

### Sustainability

**Sustainability- The ability to preserve something with a limited capacity and still use it without jeopardising it for future use.**

Many projects such as Earth Charter have been implemented in the world to enforce sustainability concerning natural resources, capital and human resources. Sustainability is about saving something for the future and then using it again in a natural resource case, in human resource raising a person

in a business environment and teaching him the ways of your business is part of CSR and sustainability. St Stithians Boys College does do this with some of their staff, they do this by paying for his accommodation at the school, and the school pays for his studies. Once the employee has completed his work he will then in return work for the school e. g. Cricket Coach etc.

Sustainability falls into two categories, Conservation and preservation of natural resources. (Geography for all grade 11 learners book)

Sustainable Development- this is one of the ways that people are trying to balance human development with conserving the environment. Sustainable development is defined as ' development that meets the needs of the present generation without undermining the ability of future generations to meet their own needs. This means that before we begin any new development, we need to make sure it will not prevent our children's generation from meeting their needs. For example, when we cut down trees for wood, we need to make sure we leave trees to grow for future generations to use. Ideally we plant one new tree for each one we cut down. (Life sciences for all grade 11 learners book)

[www. google/sustainability/images-spheres. co. za](http://www.google/sustainability/images-spheres.co.za)

Sustainability has 3 sectors, Environmental, Economic and social the environmental is the natural resources and how you should manage the it, the economic environment is about Profit and cost savings and the social environment is about the standard of living and it's about the community.

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The diagram above shows us how all 3 sectors are integrated.

### **Sustainability of CSR Project (ACFS)**

I believe that the ACFS Project is sustainable. By helping out people in need of their main needs they can do this for their whole lives, as soon as they grow up they could join Tiger Brands and do what others did to them in the past. Through experience these people will know how and what to do and deal with because they were helped.

South Africa has a very low literacy rate and many people are not educated this is a problem because this does cause poverty because people cannot get a job without an education and so an education is very important. Tiger Brands does deal with this in the ACFS project.

Highest level of education table.

	<b>No schooling</b>	<b>Some Primary</b>	<b>Completed Primary</b>	<b>Some Secondary</b>	<b>Completed Secondary</b>	<b>Higher</b>
<b>African</b>	22.3%	18.5%	6.9%	30.4%	16.8%	5.2%
<b>Coloured</b>	8.3%	18.4%	9.8%	40.1%	18.5%	4.9%
<b>Indian</b>	5.3%	7.7%	4.2%	33.0%	34.9%	14.9%
<b>White</b>	1.4%	1.2%	0.8%	25.0%	40.9%	29.8%
<b>Total</b>	18%	16%	6%	31%	20%	8%

### **(Education Institute of Race Relations South African Survey 2004)**

As we can see from the chart, education needs to be looked into because of such high rates of highest level education. South Africa has many

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unemployed people because of a lack of education. Tiger Brands has set up small schools and day care services to help the literacy rate. Private Schools are very expensive and so many children cannot afford to go to top schools. This is where you can find top quality education.

Once education and hunger are being resolved people can start to prepare for other things in life such as saving capital for work and other things and then the unemployment rate should go down.

Conclusion-All in all I think Tiger Brands main CSR Project is good and sustainable because people can come back and work for them. They have something good going on and they are making a difference in the community which CSR is all about and they are giving back to the community.

Tiger Brands have addressed the serious problems in South Africa and have made a difference. South Africa has many problems that need to be solved in order to become a third world country which South Africa hopes to obtain and achieve.

### **Glossary**

Dependent- A person who relies on another person for support

GDP- Is the standard measure of the size of the economy. It is the total production of goods and services within a country.

Sustainable- The ability to preserve something with a limited capacity and still use it without jeopardising it for future use

Managerial- Of or relating to the function or responsibility or activity of management

Legislation- Law made by Parliament, that is, statute law or Acts of Parliament. Law made by other bodies under the authority of Parliament is termed delegated legislation.

Investor- Someone who commits capital in order to gain financial returns.

Pharmaceuticals- A pharmaceutical drug also referred to as medicine or medicament, can be loosely defined as any substance intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease. Other synonyms include pharmacotherapy, pharmacotherapeutics, and drug treatment.

CSR- Corporate social responsibility

Attainable- something to try to reach for or try to gain.

SWOT-Strengths, Weaknesses, Goals and Opportunities analysis.

\* Sustainable Development- this is one of the ways that people are trying to balance human development with conserving the environment.