Economic Transformation and Poverty Eradication: A South African Perspective

Module name
Economic Transformation and Poverty Eradication: A South African Perspective

Credit points
5 ECTS credits

Courses
Seminar (2 hours/week): 5 ECTS

Teaching Staff
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Syllabus Outline
The purpose of this seminar is to discuss and critique the development, institutionalization and evolution of economic transformation policies in South Africa with a special focus on poverty eradication. The seminar draws from institutional theory as a sense-making mechanism to understand economic and current political shifts in South Africa. Students will explore the efficacy of economic transformation policies in addressing the triple challenge of poverty, inequality and unemployment in South Africa. The role microfinance plays in promoting economic empowerment at individual and at household level will be addressed. Issues related to how government institutions acquire legitimacy from the poor communities they service will also be examined.

Educational goals and Learning outcomes

Subject-specific skills
- Students critically evaluate the development, implementation and evolution of the Broad-Based Black Economic Empowerment policies in South Africa with the aim of identifying key successes and weaknesses of the B-BBEE policies;
- Students analyze how government legitimation processes shape the implementation of poverty alleviation and economic transformation policies
- Students reflect on African norms and cultures that microfinance initiatives adjust to for institutional sustainability

Methodological skills
- Students answer independently a research question regarding a particular issue related to economic transformation in South Africa.
- Students critique, evaluate and analyze literature related to microfinance and poverty eradication initiatives in South Africa.
- Students produce a case study that illustrates how a social environment and prevailing myths shape institutionalization of economic policies.

Personal and social skills
- Reflect on how you obtain legitimacy from those stakeholders whose interest must be taken into account when conducting and presenting group assignments.

Seminar Format
Seminar sessions will be interactive, comprising a combination of presentations, discussions and debate, including presentations on the case study by syndicate groups. Reading of prescribed texts before the seminar is essential to ensure meaningful discussion.
Seminar Topic 1: Economic Development Perspectives in South Africa
This session will set forth the development challenges faced in South Africa. Particular attention will be given to conditions, factors and processes that bring about or prevent economic development in South Africa.

Reading list for Seminar Topic 1
- Prescribed Reading
- Recommended Reading

Seminar Topic 2: The Poverty Crisis in South Africa
This session highlights human development issues and poverty dynamics and their impact on health and well-being. Participants will be introduced local approaches and mechanisms used by government to fight poverty at household level.

Reading list for Seminar Topic 2
- Prescribed Reading
- Recommended Reading
Seminar Topic 3: Economic Transformation in South Africa

The seminar will trace South Africa’s economic reform programme from the 1960’s to the late 1990’s, and how transformation policies ushered in a new era of black economic transformation. The role microfinance plays in promoting economic empowerment financial inclusion will be addressed and will be explored.

Reading list for Seminar Topic 3

- Prescribed reading

- Recommended Reading
Seminar Topic 4: Institutionalising Economic Transformation and Poverty Alleviation Policies in South Africa

Institutional theory is used as a lens to explore how transformation and poverty alleviation policies have been institutionalized, and how the economic institutions have maintained and defended legitimacy in the 20 years post democracy.

Reading List for Seminar Topic 4

- **Prescribed Reading**

- **Recommended Reading**
Assessment: Group Assignment

Write an assignment of approx. 5000 words on any one of the following topics:

1. Contrast and compare the structure of the South African economy with the structure of the economy of any country of your choice. Discuss the challenges and risk patterns in the South African economy and provide recommendations on how economic development challenges can be mitigated.

2. Discuss the pros and cons of introducing economic transformation policies in South Africa from an institutional theory perspective. In your arguments address the following question: Has the South African economy transformed?

3. What are the factors that explain poor service delivery and high levels of poverty in South Africa? What policy implications can you draw from your analysis?

4. What role can micro finance play in eradicating poverty in South Africa? How would you design a financial inclusion programme to address poverty?

5. Why is inequality a concern for the South African economy? How does inequality aid or hinder poverty reduction efforts in South Africa? How would you design an economic development intervention to address the issue of inequality in this economy?

6. Discuss how the Operation Sukuma Sakhe concept has been used to eradicate poverty; and how the concept is being used to achieve development objectives of the country?