

INTRODUCTION

With the birth of democracy, the last decade has seen NGOs in urban Cape Town generally move from providing general support services to more specific areas of delivery of physical infrastructure, training programmes or process support. Notwithstanding those who have allowed the community to determine the appropriate outcomes based on their analysis of their own needs, many NGOs have chosen their interventions based on a combination of what is in vogue (for example job creation, conflict resolution), what funders want to see, and what they think will be well received by 'the community'.

Development Action Group (DAG) chose to use low cost housing as a tool with which to contribute to sustainable development. The organisation assumed that all those living in overcrowded, unhealthy or unsafe conditions had the same priorities, the same goal and the same aspirations. It divided the city into those who had formal housing and those who desired it. This informed emphasis in DAG's operations was appropriate in that it was a direct response to a very basic need among the city's poor communities. It also fitted well within contemporary development trends at the time.

Having adopted a culture of learning and reflection, the organisation has effectively used housing as a vehicle to identify the other dimensions (including the intangible) of poverty. For example, depending on the social context, DAG noted that the delivery of formal housing could have negative effects through intensifying vulnerability and poverty by inducing the breakdown of social networks and or an increase in household expenses. It could also result in the waste of resources, as many beneficiaries regard the Western Cape as a temporary home and do not accept the additional responsibility of home ownership here. Many people in this situation have been known to sell their homes for less than their market value. DAG has observed this complexity, hence its interest in understanding the range of factors that constitute urban poverty.

Through understanding the current constraints on economic and social sustainability in urban poor households as well as the livelihood strategies that people employ to cope, DAG hopes to find new directions, along with other NGOs in the field, toward sustainable integrated development interventions.

This discussion paper comprises six parts. Firstly the scope, methodology and sample for the research is outlined; thereafter key concepts used throughout the paper are defined. The next part describes the sustainable livelihoods approach, which is followed by a discussion on the findings on the dimensions of poverty in the CMA. The paper ends with a list of recommendations for future research. Appendices, which include a list of people and organizations

interviewed, a summary of secondary data reviewed, examples of elements of livelihood strategies in the CMA and tables which explore the manifestations of poverty in the CMA, are also provided.

H Stretton, 1978:

"The life of a modern city is very complicated. The citizens have intricate patterns of common and conflicting interests and tastes and beliefs, and individually and collectively they have very unequal capacities to get what they want for themselves or from one another. From that tangle of powers and purposes comes a social life so complicated and partly unpredictable that any understanding of it has to be incomplete."

SCOPE, METHODOLOGY AND SAMPLE

This research concentrates on experiences in the Cape Metropolitan area (CMA), situated in the Western Cape province. The Western Cape is one of the wealthiest provinces in the country; with a rate of 20% (2001), the CMA has one of the lowest unemployment rates compared to that of other metropolitan areas in South Africa. It also has the highest proportion of Black African workers who are unskilled (31.3%), whereas the national proportion is 17.2%. *

Approximately 25% of the CMA's 3 million people live in absolute poverty. It is estimated that 35% of households earn between R1500 and R3500 per month while 45% of households earn R0 – R1500/month. The City of Cape Town's Integrated Development Plan estimates that the CMA's housing backlog stands at 240 000 units. Eighteen per cent of the workforce is employed in the informal sector (2001) and the unemployment rate is 25%.

It is clear that the CMA, like other urban centres in South Africa, is a place of stark contrast between rich and poor. Not all the province's poor people are to be found in the rural areas, as has been one perception. Recent thinking in terms of poverty reduction acknowledges that previous analyses of urban poverty have failed to recognise the complexities that prevail in South Africa's metropolitan areas. One case in point is that while the Western Cape is a wealthy province with income levels that compare well with other provinces, it has the highest unemployment rate amongst Black Africans (36%). In addition, there are also differences between poor communities as they experience poverty in different ways. There are even differences *within* communities where some are relatively better off than others as the tables in this report will demonstrate.

Critical to understanding the urban poverty context in South Africa's metropolitan areas is the awareness of how past governments have used spatial arrangements and racial prejudice to perpetuate conditions of poverty. Apartheid policies, in particular, were instrumental in shaping this context. For example, the Group Areas Act was used to force black people out of residential areas in the city. They then had to spend extra money to travel to their jobs in the city, increasing their expenses while many even lost their jobs or businesses as these were shut down or also forced to move. Economic benefits for certain racial groups in the past also mean that the poor are all located in the black areas of metropolitan areas. In addition, economic trends, especially globalisation, is very much linked to poverty as well as to a range of current government policies that influence the welfare of South Africans, for example, housing policy and welfare policy.

**Unless otherwise stated, all statistics in this report are based on the 1996 census figures.*

Apartheid policies designed to keep Black people poor may be a thing of the past but their legacy remains. Statistics indicate that the uneven distribution of wealth and resources is still a reality. The South African Human Development Report 2000 estimated that over 13 million people in South Africa were living below the poverty line with no access to social assistance.

This situation cannot be resolved through economic growth alone. Hence current widespread grassroots support for the provision of a Basic Income Grant (BIG). This issue is pending subject to government's review of the "Taylor Report" (Report of the Committee of Inquiry into a Comprehensive Social Security for South Africa).

These factors highlight the complex and multi-dimensional nature of urban poverty.

While contextual analysis is crucial to understanding the powers (institutions, policies, processes) and events (shocks and stresses) that influence the livelihood of poor households, this paper does not offer a contextual analysis. Instead it provides insight into how poor households survive (strategies), what threatens their survival and what resources and assets they draw on to cope.

An internet search yielded international writing and practice of sustainable livelihood-based approaches to understanding survival strategies. The research was subsequently conducted within the framework of the Household Livelihood Security model, as applied by CARE International in relation to urban contexts. Using this model as an analytical framework, the research was particularly interested in the typical strategies employed to meet basic needs and what assets are characteristically in use in the urban context.

This research documents some of the collective knowledge that exists among activists, politicians, researchers, social workers, policy advisors and survivalist traders in the Cape Metropolitan Area (CMA). It did so through qualitative, semi-structured interviews with informants in these categories as well as through a literature review. It is encouraging to note that departments within the provincial government as well as local government have commissioned comprehensive studies into a number of areas that impact on urban poverty. The reports from these studies reflect a convergence in thinking with stakeholders in the development sector.

Fifteen interviews were conducted with a range of informants who are involved in addressing one or other basic need in research or project implementation, or are assisting households to build up their asset base. Most informants work in several areas in the CMA, with some working in the rural areas of the Western Cape and others working nationally. Their perspectives are naturally enriched by their extensive exposure. See

Appendix A for further details of informants. Stories have been inspired by real life situations, but false names have been used for confidentiality.

KEY CONCEPTS

The paper uses certain concepts that are clarified below:

Poverty – not just a lack of money or income but a multi-dimensional condition encompassing a lack of choices, denial of a voice, deprivation of access to basic services, lack of the basics such as food, education or medical care leading to a sense of vulnerability.

Absolute poverty – whereas relative poverty refers to degrees of access, absolute poverty would be when a household is without the minimum needed to survive.

Sustainable livelihood (SL) - a livelihood refers to all the assets (physical, social, etc.) and activities necessary to make a living. A sustainable livelihood is when a livelihood can manage disasters, emergencies, etc and recover from it with its resources intact or it can improve it's assets without depleting the natural resources.

Sustainable development – meeting the needs of the present generation without compromising the ability of future generations to meet their needs through the responsible maintenance of natural resources, economic, institutional and social sustainability.

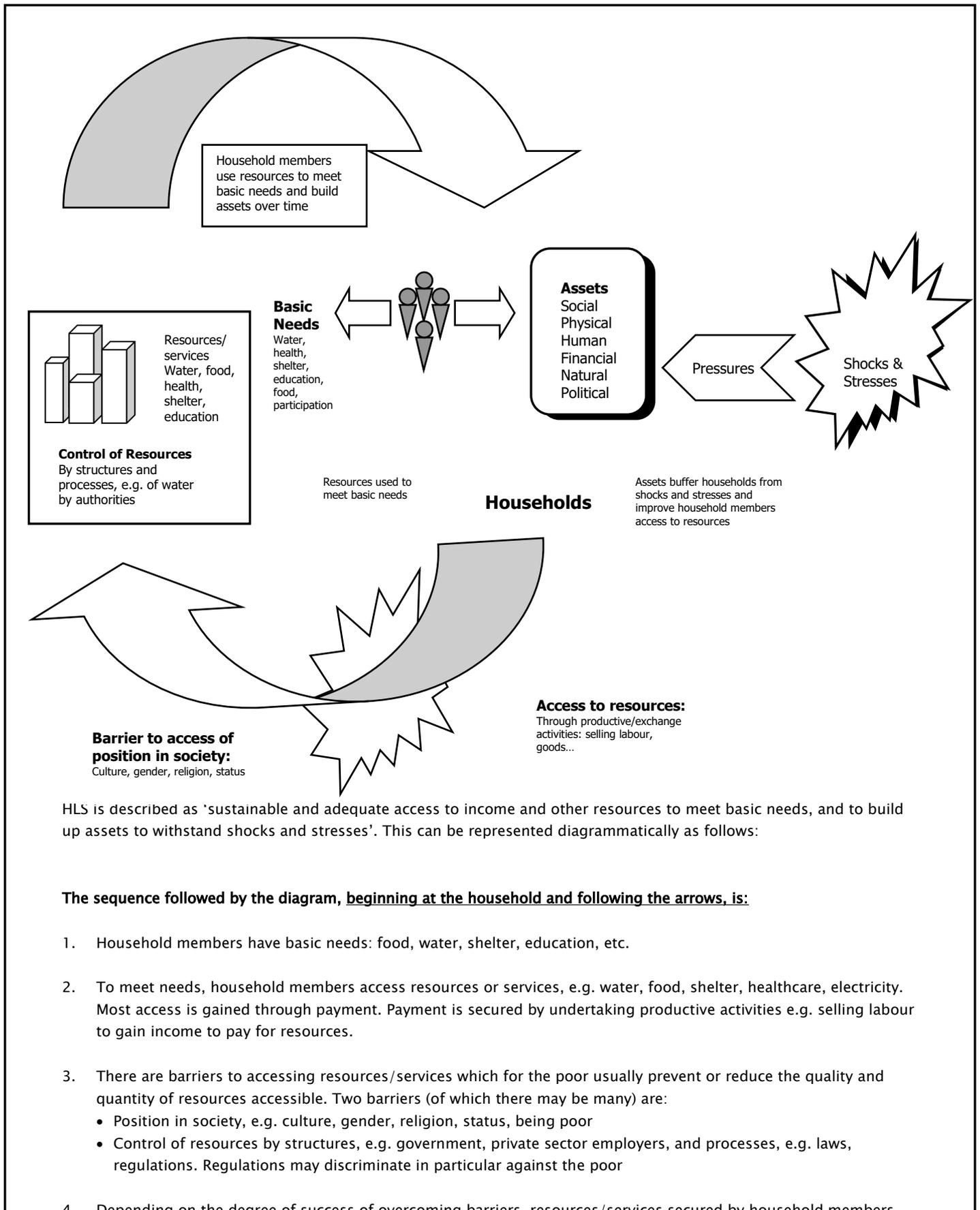
Unethical economy – this refers to an economy based on dubious or illegal exchanges.

Urban poor household - this is a general term that is used in reference to a set of households that are distinguished from those in rural communities and those in middle or upper class neighbourhoods. The term does not suggest any homogeneity among these households but is used to discuss typical problems and patterns. It also does not suggest that a household is a static unit or that it is a neat package. It is made up of individuals, each with their own interests and issues.

Household Livelihood Security (HLS) - CARE International has developed this framework for interpreting livelihoods in urban settlements. Based on the Sustainable Rural Livelihood Framework, which has been extensively used by activists and development workers in rural communities, HLS is a useful, multi-dimensional approach for understanding the means of survival in urban poor households. It takes account of legal (formal and informal activity) as well as illegal practices in securing a living. It acknowledges physical as well as non-physical assets and policies or regulations that control resources. HLS also links micro and macro issues, taking account of the multifarious connections between the local level and the broader environment.

Chambers and Conway, 1992:

"(A sustainable livelihood) can cope with and recover from stresses and shocks, maintain its capability and assets, and provide sustainable livelihood opportunities for the next generation."



- To meet immediate basic needs
 - To build up assets (social, physical, financial and human) over time
5. Assets are used:
- To buffer households against stresses and shocks e.g. sickness, fires, sudden unemployment
 - To increase the ability to improve access, e.g. improved education (human assets) may lead to better jobs.

Household Livelihoods Security (HLS) model applied to urban settlements, CARE International UK

THE SUSTAINABLE LIVELIHOODS APPROACH

The Sustainable Livelihoods (SL) thinking originates from the work of Robert Chambers in the 1980s. Over time, several development organisations have embraced SL perspectives, including the Institute of Development Studies (IDS) and the Overseas Development Institute (ODI). In 1997 the UK Government, through its Department For International Development (DFID), adopted the concept of sustainable livelihoods as an approach to development and poverty elimination. In South Africa many organisations working in rural areas adopt a sustainable rural livelihoods approach.

The Household Livelihood Security (HLS) model is one of a wide range of SL approaches. The approaches can be applied at any stage of a project, from inception through implementation to evaluation. The emphasis in SL approaches is that it spotlights people rather than products and considers people's own priorities. Therefore, it is a dynamic process. It is a holistic approach and sustainability is an important focus. The impact of a SL approach in a project would be:

- broader scope, including the building of social capital
- a longer project engagement to allow for sustainable partnership building and to achieve sustainable outcomes
- more process-orientated work, centered around learning
- increased attention to linking macro-micro issues

While there is a variety of SL approaches, they all share certain common features:

- ***understanding the vulnerability context:***

All people are vulnerable to certain changes in the external environment that are beyond their control. The ability to respond to these and the impact that it has on people's livelihoods distinguishes rich from poor. For instance, rich people also rely on a range of livelihood strategies but a shock to any one of these is not as harmful as it would be to a poor household. Shocks such as floods, tornados, death in the family, theft, conflict, gang-warfare or fire can directly destroy the livelihood assets of poor people. Trends influence the outcomes of livelihood strategies negatively or positively. Examples include technological trends and governance trends. Seasonality refers to patterns in the social, economic and political forces like price changes or employment opportunities.

Therefore, understanding these shocks, trends and seasonality is critical to addressing the challenges faced by poor households and local communities.

DFID:

"It is not only social science-based methods that are important in SL analysis. Analysis based on the natural and physical sciences may be overall environmental sustainability of livelihoods...."

➤ ***a combination of livelihood assets:***

These are four general categories of assets or capital:

Type of capital	Examples
Natural capital	Land, water, wildlife, environment
Social capital	Networks, group affiliation, social relations (relationships of trust), social claims, access to wider institutions in society
Human capital	Skills, knowledge, physical abilities and good health, able/available to work
Economic/financial capital	Cash, credit, debt, savings, infrastructure, production equipment, production technologies

This list is not exhaustive but is intended to capture a holistic picture of the basis of livelihoods.

A range of assets is required to achieve positive livelihood outcomes since no single category of assets can alone meet the varied needs of people.

➤ ***transforming structures and processes:***

Structures and processes refer to the institutions, organisations, policies, laws and cultural dynamics that influence livelihood assets and practices. Structures include those at local, provincial, national and international government level. Knowledge of these structures and policies facilitate a household's successful recovery from shocks and stresses. Often the rich have set up these structures while the poor lack knowledge of them or they work to the advantage of the rich. Newly urbanized poor households are often even less familiar with how to access their constitutional rights or social benefits since basic information such as where the Department of Home Affairs is, or what recourse they have against unfair dismissal, is not available.

UNDP (United Nations Development Programme):

"Good governance requires a policy framework that mandates accountability, transparency and participation as a prerequisite for sustained change."

While many government structures and policies have experienced considerable transformation, there are still several anti-poor policies and practices that work against the poor. The continued transformation of structures, especially towards more participation by the poor, is a key factor in achieving positive livelihood outcomes. Information dissemination and capacity building will ensure that the poor are able to benefit from the existing provisions with regard to structures and processes. This is essential because the more choices and opportunities people have, the more they are able to minimize vulnerability. Models of participation will vary depending on whether they relate to a legislative process, a development project or any other purpose. However, participation should always be meaningful – it is a process of involvement of relevant parties well before decisions are made or plans implemented. The ability of participants to make informed decisions can be boosted by appropriate knowledge and information sharing. It is important to note that participation and consultation are not the same.

➤ ***livelihood strategies:***

This refers to the range and combination of activities and choices that people undertake to achieve livelihood outcomes. These are usually based on what access there is to resources, control of resources and the institutional environment. The choices made are also influenced by income status, religion, political or social status and other factors.

The range of activities differs from household to household and from one community to another. In a particular household the combination of strategies may change over time or as a result of shocks or stresses (for example, death of the breadwinner). They include, formal or informal employment, legal or illegal activities, micro enterprise, remittances, non-monetary exchanges and social grants.

➤ ***livelihood outcomes:***

This is the achievement of livelihood strategies: securing food, shelter, education, participation, personal safety, and so on.

Participation, policy & urban poverty, CARE International, June 2001:
"A system can only be as good as the people who operate it. The contribution from community members and the performance of elected bodies will be governed by their own abilities. Both groups need education, training and information to raise the level of these abilities."

FINDINGS ON THE DIMENSIONS OF POVERTY IN THE CMA

Approaches to poverty

There are several perspectives on understanding poverty, each linked to particular poverty reduction strategies. The Cape Metropolitan Council's (CMC's) Poverty Reduction Framework for Local Government in the CMA, summarises as follows:

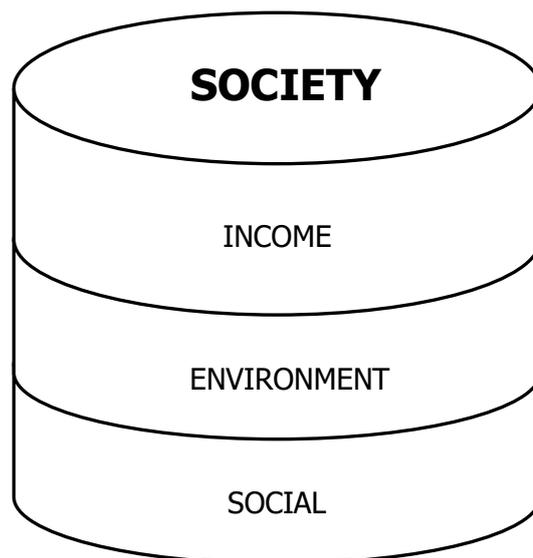
Different conceptions of urban poverty:	Lack of income	Inadequate resources to satisfy basic needs	Societal structures that result in social exclusion	Constraints on sustainable livelihoods	Barriers to human development
Agencies who typically promote this approach	A wide variety of agencies, including the South African government. This is the most common definition of poverty	World Bank	Northern governments and NGOs working in Northern countries	Southern NGOs - especially those working in rural areas	United Nations Development Programme
Aspects of urban poverty that this perspective focuses on	<ul style="list-style-type: none"> - welfare - subsidies - job creation - wage levels 	<ul style="list-style-type: none"> - physical infrastructure investment (e.g. low income housing construction, sewage installation) - Social infrastructure provision (e.g. provision of clinics and schools) 	<ul style="list-style-type: none"> - Cultural and political values that make poor people unable or unwilling to participate in the society (e.g. geographical isolation, informal and institutionalised racism and sexism) 	<ul style="list-style-type: none"> - The exclusion of the poor from making decisions about their own development priorities. - The asset base that the poor have established that helps them cope 	<ul style="list-style-type: none"> - A range of activities ranging from job creation, to infrastructure provision and enhanced participation in urban developments

A visual scan of the CMA might leave the conclusion that only those living in shacks or without physical infrastructure are poor, but poverty is not tied to habitat conditions alone. Usually, established townships have infrastructure – roads, schools, shops, telephones, public transport routes, formal housing, employed people, municipal services. However, these assets are rarely used to improve the quality of life. This has many causes.

In part this is a result of failure on the part of government to draw people into decision making processes about the use of resources, where resources should be located or which resources are needed. This is reinforced by failure on the part of many communities to get organized and have a voice in civic affairs. In many cases ambitious, power hungry career activists or councillors speak on their behalf, without a deep and genuine understanding of the context. In other cases gang dominance discourages participation in meetings and projects. Often there are high rates of children absent from school due to parental neglect and despondency. In certain areas there is also an alarming incidence of teenage pregnancy and truancy. These all refer to a combination of dynamics that make poverty multi-dimensional in nature. See Appendix D for detailed analysis of the manifestations of poverty.

Multi-dimensional poverty

In striving towards sustainable development, poverty reduction or alleviation has to occur at three levels: income, environment and social. Households experience poverty differently: there are those who are income poor while others have no access to infrastructure, or experience a combination of factors. All of these dynamics exist within our society, some less tangible than others. The most visible and measured tends to be income poverty. A closer study often uncovers another layer of environment poverty where households might have no access to acceptable shelter, travel long distances to work and shop or live in polluted neighborhoods causing increased health problems. Often the most hidden layer of poverty is connected to social relations. The dynamics characteristic of this dimension include limited personal empowerment, limited or no access to associations, family support, social safety nets, political structures and processes and the capacity to navigate these effectively. Since these layers are all part of the whole that makes up the society, the strategies applied to address any aspect of them have to be connected.



DIMENSIONS OF POVERTY	
Income	Absence of fair, stable wages; living below stipulated minimum income; no access to credit
Environmental	Lack of safe, secure and stable living arrangements; located where access to physical infrastructure including municipal services is either limited, costly or denied; constrained or no access to natural resources
Social	Limited or no access to social infrastructure, including education and training and participation in decision making processes; limited or no access to indirect income e.g. social support grants
Combination	Several of the above dynamics could combine with others to render a household poor

The table above is an attempt at categorizing the dimensions of poverty. These categories must not be seen in isolation of each other since the same dynamics occur across categories. Poverty reduction thus relies on wide-ranging interventions across categories (integrated), which are responsive to the range of dynamics. This creates opportunities for partnerships between many stakeholders. Poor households are in themselves important stakeholders and their current responses (livelihood strategies) need to be considered in planning interventions.

Livelihood strategies

From the interviews it is evident that a wide range of strategies are employed across the poor neighbourhoods of the CMA. Typically, a household would use multiple strategies and, while the same strategies were found in a range of communities, they were not necessarily common to households with a similar profile. The assortment of strategies is testimony to the ingenuity that is borne in poor communities. It also reflects the way that poverty tears down value systems as it forces people to find new ways of meeting their basic needs due to changes in the macro environment. Appendix C lists the livelihood strategies discussed during the interviews. The following table considers the livelihood strategies in relation to the dimensions of poverty:

Cape Metropolitan Council, 1998

"In some, mainly African, communities of the CMA the levels of poverty are far higher than the metropolitan poverty figures would suggest, and the quality of life may be as bad, if not worse, than in some rural areas."

Dimension of poverty	Dynamic	Livelihood Strategy
Income	Absence of fair wages, absence of stable income through wages; living below stipulated minimum income; no access to credit in the formal market	Employed in more than one job simultaneously, employed in different jobs in different seasons, piecemeal work, self employment, small/micro business, buying and selling goods, begging, crime, subletting of land or rooms, job creation projects, recycling
Environmental	Lack of safe, secure and stable living arrangements; located where access to physical infrastructure including municipal services is either limited, costly or denied; constrained or no access to natural resources	Harvesting or poaching natural resources for domestic use or for sale, (illegal) sale of land, water or electricity, living with extended family, makeshift structures, (illegal) occupancy of land or housing units
Social	Limited or no access to social infrastructure, including education and training and participation in decision making processes; limited or no access to indirect income e.g. social support grants	Unpaid labour, range of skills, cash loans in informal market, remittances (including gang patronage), social welfare grants and state subsidies, food parcels/ vouchers and loans from NGO, state or church projects, NGO education and training projects, migration, saving schemes, stokvels
Combination	Most of the above dynamics are combined across categories, e.g. absence of stable wages & limited access to education and training	Usually a number of strategies are combined, e.g. due to irregular income someone may be poaching or acquiring cash loans to supplement their wages

Certain differences have been observed between men and women. In particular, women carry the emotional burden of survival. They also take on most of the unpaid work that is critical to building human and social capital through activities like caring for children. Research indicates that where women experience an increase in income, the rest of the family benefits through increased expenditure on food, health and education. It is therefore, an important strategy to target women for poverty alleviation programmes since this becomes a means to invest in the entire household. Informants from the SMME sector believe that most of the successful micro enterprises in poor communities are run by women.

There are also differences between historical “coloured areas” and historical “black areas”. For example, many thriving businesses in the “black areas” are

built on the sale of alcohol through shebeens or taverns. The explanation for this rests in history. During apartheid, "black areas" were never provided with bars or pubs for drinking. Shebeens were a popular response to this policy and were accepted within the community. This type of business is not easy to establish in "coloured areas" where it is generally frowned upon, unless it originates from a gang which dominates the community in which case people are afraid to object to its existence.

Many individuals diversify their labour by holding down more than one job. This may mean traveling long distances. For those thousands from the Eastern Cape and elsewhere, being in the city is a strategy in itself: many maintain their livelihood in a rural village and stay in the city as a means to earn income and eventually return. Their stay is temporary and they do not wish to invest and build assets here, e.g. a house. While migrating to and from is a strategy for some there are others who have migrated to the city and cut ties with their rural family. They wish to invest in a long-term future in the city and therefore are unlikely to send money to their rural families.

Most poor households often cannot afford to spend money in the formal sector as this is too expensive or they do not qualify as creditworthy or bankable. They usually spend their money in the informal sector, within the township, which is also within walking distance. As a result, many retail finance institutions have had no leverage to recoup their small business loans from poor people. The culprits are not concerned with the threat of credit listing as they do not operate in the formal economy anyway.

While many people engage in trade of one sort or another, they do not regard themselves as business people. They are referred to as 'survivalist traders' since they are motivated by need not by an entrepreneurial spirit. They are prepared to run a business for very little profit. Most micro businesses are retail in nature and there is very little creativity in evidence, except for job creation efforts linked to community development projects. Most traders are buying goods outside the area to sell in the local neighbourhood. This also means that money is leaving the local area and not really contributing to local economic development.

South Africa Human Development Report, 2000:

"The scale and depth of poverty and its related problems calls for shared action within an integrated comprehensive strategy that is responsive to the needs of the most vulnerable and excluded people."

The informal sector has facilitated access for unskilled labour, especially women, to financial capital. Many of the people in this sector would not gain entry into the growth sectors of the formal economy since that requires high levels of skills. However, since the sector is largely unregulated there are many complaints of workers being exploited. There are also many traders who are forced to pay protection money to gangs for fear of disruption of their businesses or possible robbery. These forms of exploitation will continue within the current legislative framework where these traders are virtually invisible and their workers unprotected by law. There are also complaints that some policemen expect bribes or else they will raid businesses who trade without permission.

Several children who started out living *off* the street are now living *on* the street since they are able to make a relatively good taking begging from people during the day. These children usually do have a home in one of the townships but have become streetwise after spending their daytime begging on the streets. Often they have been sent out to do so by a parent and are expected to return home with money for food. Eventually some of them choose not to return home as they have been exposed to glue and become addicted or have been "befriended" by others who live on the street, offering them a place to sleep. They use night shelters as "hotels" and return to the streets in the morning. These streetwise children must not be confused with runaway children, escaping from abuse or neglect or abandoned children. The latter categories are often not streetwise and have no desire to be on the street. They thrive in care centers where the emphasis is on restoring the family unit.

Story 1: Multiple Strategies

Brian lives with his wife, Gail, three children, his sister, Sylvia, her son and his mother, Alice. Gail is unemployed due to retrenchment at the clothing factory and has given up trying to find another job after spending her UIF on bus fare and telephone calls to look for work. Alice is a pensioner and takes care of the grandchildren in the afternoon. She spends her pension on the rent, her grandchildren's clothing and school needs and regularly gives sandwiches to the children who knock at her door. Brian has odd jobs on building projects with Boeta Miley. This money is only sufficient for his family's daily food needs and will never stretch as far as saving for the future or for medical emergencies. To supplement his income Brian always has some other activities going on. He has a connection at the harbour. During fishing season he uses Boeta Miley's bakkie - for a small fee - to fetch fish from his connection. He sells the fish in the courts, where people without transport have no other access to fresh fish. He has to pay the cost of the fish to his connection and is then left with a small profit of about R4 per fish. He sells mostly to the regular income earners in the courts who can pay cash and where people have no cash to pay for food Brian sells it "vir die maand" (on credit till the end of the month). He removes the fish roe and heads and puts some aside for his household as well as that of Marel and Farouk (the friends who lend him money when he needs it). The rest he sells at very low cost to his neighbours. This boosts his tiny profit somewhat.

Brian's sister, Sylvia, works at the wholesalers. She earns R200 per week and after paying her weekly expenses she still ends up borrowing money for taxi fare and cigarettes for the week. In November, however, things are always easier for Sylvia. It is Guy Fawkes and she is allowed to buy 20 boxes of crackers, at work (where they import it), to be deducted off her wages over the next 4 weeks. She takes the 20 boxes home to Gala Court and gives her mom the responsibility to sell during the day while she's at work. Word is sent out and soon the better-off neighbours, like Mr Smith, hear that they could save R5 on a box if they compared Sylvia's price to that of the retail store where they would otherwise buy. He buys 2 boxes instead of the 1 he planned to buy at Game. The house-shop buys 6 boxes and sells them individually to children. Since the sales are going well, the shop is also able to sell them packaged in dozens to some trusted customers, on credit. With this money Sylvia is able to lend Brian some money, make a payment on an old debt for which she has been blacklisted and buy some new takkies at the Nike factory shop.

Type of capital engaged

Influenced by culture and tradition most Black African families invest in a funeral plan, even when they can least afford to. It is required that the corpse be taken back to the person's home village for burial. This is an expensive exercise and therefore provision for this is prioritized above education and other expenses. The gooi–gooi or stokvel will usually be allocated to the household that has experienced a death. Many members of the community will also make a collection to donate money towards the funeral costs. This is an example of how religion and custom can foster social capital.

Most of the micro businesses have relied on support from their immediate neighbours in the start-up phase of their business. One trader explained how she started selling meat and used her neighbour's cooler bag, as she did not own one. The result is that most neighbours have a reliable source of money or food through a permanent credit system with that trader. Here social capital (neighbourhood network) facilitates financial capital (credit).

Informants in the small business development sector state that their business training programmes are not effective as people with successful small enterprises are operating according to the principles that work in their specific community, not according to Western business management principles. They rely on their own knowledge of the local context rather than on the training offered by outsiders.

Many informants stated that people seldom go to sleep hungry in a poor neighbourhood. Since people live in close proximity, privacy is limited. Somebody will always know if there is a neighbour without food in the house. Food is sent over at mealtime or a child is sent to borrow a cup of rice. These exchanges are not always amicable, but generally people supply those needier than themselves. On the other hand, once a member of a household earns an income, the neighbours are not as willing to support the family's food needs any longer. Working in a low paid job – where the cost of working is almost equal to the wages- could therefore impact negatively on the resources of a household. For this reason there are many individuals who drop out of low paying jobs or refuse to take them in the first place.

Story 2: Social Capital

Sheila was recently unemployed for a long time. During that time, she and her 3 children relied on the kindness of family and friends to get by. They had no income and lived off donations. Once Sheila secured a job in a factory, friends and family stopped sending goods as she now had a stable income. Earning only R150 per week, after arranging childcare, purchasing some clothes and food and setting aside her traveling fare, Sheila had no money left. She is now also expected to pay for things she had not paid before since she now had an income, for example, rent and school fees. She constantly feels stressed and wishes that she never got the job as she has more debt than when she had no income. She keeps her job because it makes her feel good to go to work everyday and she knows that she cannot count on the charity of her friends and family indefinitely.

Building up the asset base

Individuals must be able to recover from stresses and build up assets in order to achieve a sustainable livelihood. The sustainability of a livelihood does not depend on external factors alone, however. A measure of life skills and inner development is essential to liberate the individual from the bondages of poverty: the need to have what others have (material goods), the need to compensate for not having, living for today/ for the short term only ("spend now, save later"), hoarding goods and depleting natural resources for fear that the opportunity it presents may disappear. An informant related an incident of a father spending R3500 in one day on his daughter's matric ball – and yet he has no finances to send her to study further. Then there are the countless entrepreneurs who spend all the profit instead of putting some of it back into the business.

The individual needs to reflect and learn from past behaviour and patterns in order to use resources wisely as a buffer to shocks and stresses. With all the external factors in place, fieldworkers and project managers agree that it would still be up to the person to utilize resources wisely.

Informants all comment on the low level of self-esteem that is associated with poverty. Individuals with low self-esteem have given up hope and are despondent about the future. They find support through networks like care organisations, welfare projects and life skills programmes. As the household situation improves, so does their self-esteem, and consequently their ability to participate in changing their situations.

In the farm areas of Philippi, more children are attending school than before. This is strengthening the human capital amongst farm workers as the skills base in these households is expanded. This increases the household's opportunities for sustainable development. Where formal education has led to their children acquiring "outside work" – working in nearby factories or shops - there is already greater independence from farm owners and in some cases, households have been able to move to better living conditions or to upgrade their farm dwelling.

Most informants commented that an increase in financial assets among women usually leads to investment in the human capital of that household. This is most evident in improved health and nutrition.

Pat Francis, 2001:

Poor people feel they "don't have choices" and consequently adopt a "dependency" attitude, as their self-esteem improves, so does their participation in decisions improve.

Contexts of vulnerability

THE COST OF BEING POOR

Informants shared some figures regarding income and expenses:

Typical income levels

Factory workers could earn R150 per week.

Casual farm labourers could earn R50 per week plus a portion of vegetables. Permanent farmworkers typically earn between R60 and R90 per week and R110/R120 for operators (those who operate farm equipment).

Casual labourers on a construction site could earn R40/R50 per day.

Those chopping wood and selling along the road, earn about R10 per day.

Those who qualify for the State's Disability grant receive R540 per month while the Child support grant provides R110 per month for every child aged 0 - 6 years.

Typical expenditure levels or costs

A family of 5 could spend between R350 to R450 on basic food items for a month.

R120 per month for electricity in a shack

R70 for prepaid phone airtime with Telkom

R5 to make a phone call from a neighbour's house

R10 for a cell phone call

R4 or R4.50 for a loaf of bread

R20/R30 per month for child to attend a crèche

R30 for a fresh whole chicken (with feathers)

Moneylenders in townships charge between 50% and 100% interest.

The latest household subsistence level as calculated by the University of Port Elizabeth estimates that a household of 6 members requires a minimum of R1 583 per month to survive. Despite the new labour legislation there are still many workers earning below required minimum wages.

The AIDS pandemic has significant implications for the economic vulnerability of a household that is affected by it. The costs of medication and a nutritional diet are generally out of reach of poor households. It becomes even more difficult to find a job once an HIV positive status is disclosed. It is estimated that some HIV positive workers support up to nine other people with their income. The implications of the progression of illness in their case will be devastating to their dependents.

The rainy season also adds stress as those in leaky homes struggle to make it comfortable while others have to move their shack to higher ground. During this time it is common for children to be kept out of school. Piecemeal work is usually scarce due to the weather and illness also diminishes labour availability for those living in fragile shelters during the harsh Cape winter.

Petrina Roberts, November 2001:

"to be poor is expensive because you have to access resources and food at a higher cost than your better off neighbour"

Street children and children sent to beg for the day – a day out of school – represent the serious vulnerability of the future generation. Children who are not at school have no means of receiving the education they need to become employed later on.

This compromises the sustainable development of human capital. Many of the children are forced to perform sexual favours for money, particularly boys. This isolation and exposure to the sordid side of life undermines their social capital as it creates psychological issues and is also a health risk as well.

Informants working in this sector agree that giving to those who beg erodes dignity and self-esteem and thereby also threatens social and human capital. Many organisations working with the poor have identified the need to motivate and build confidence in the many people who have lost their dignity. They encourage giving via social services agencies, giving in kind through volunteering or through communicating with dignity.

Crime and violence

Crime and violence cannot be ignored as they are critical in breaking down social capital and in the development of negative social capital. For example, with the integration of schools, more “white” and “black” youth are appropriating the language and symbols associated with gangs on the Cape Flats. Gangs have come to represent access to financial capital, especially since the formal economy has been unable to provide new jobs for the poor.

Story 3: Role of gangs and the illegal economy

Eighteen-year-old Stacey lived in a township and was regularly subjected to violence and sexual abuse at home by her alcoholic father after her mother died. Her brothers were all using drugs and committed burglaries to finance their addictions. She was lonely and miserable. She couldn't go out since the area was not safe at night. She had no means of transport to go to Century City, the Waterfront and other places she had heard of. She only got new clothes when her aunt sent something she bought at the flea market for Stacey. She attended the local high school where the teachers labeled her because of her brothers and because she struggled to keep up with schoolwork. She felt uncomfortable at home and at school and had no one to turn to. She sat in the playground with other children who had been labeled by the teachers. One of these girls, Gawa, often talked about her connection with one of the big gang leaders. She described this man as rich, he drove a new car, had a cell phone and dressed smartly. He often came to her father and would leave money with them. He asked Gawa to come and work for him. Gawa was thinking about the idea, as she was bored at school. She suggested that Stacey also join her. Stacey decided to stay out of school a few days and see if the work paid off. They got jobs packaging drugs for the gang leader who was also a drug lord. One day they were arrested and Stacey phoned her school principal to post her bail. He empathized with her situation and so obliged. She continued to work in the afternoon and attend school in the morning. Manipulating the two identities worked well since being a scholar was a protection when she fell foul of the law. Stacey was happier with life as she could afford the brand label clothing that other children wear, she could go to clubs outside of the township with her rich friends and she had money to buy takeaways and food for the house.

Domination of resources by gangs yields a situation where the only people left in the community are often the elderly, the school children and the gangsters. Those who can afford to leave the area for a more middle class suburb do so. Social services like clinics, libraries and development programmes are often halted as in Ottery and Manenberg where the clinic has withdrawn from the

area due to gang warfare. Similarly, new infrastructure programmes are seldom implemented, as civil servants are afraid to enter "gang territory". Fear of gang members often means that the community will cast a blind eye on their activities rather than cooperate with police. The vulnerable become more vulnerable in this environment because there is no protection for them should they challenge gang-related activity.

Often people living in areas dominated by gangs are not even safe in their homes as stray bullets have been known to kill children as young as 8 years old and adults as old as 80 – inside their homes. Gang members may also decide that they need new headquarters or premises for a shebeen. They would then displace a family while they are out working. One informant described how a gang removed all the furniture from a flat and left it in the street for the *de jure* occupants. They proceeded to scrub the mats and then take them back inside for their own use. The flat was used as a nightclub.

Most families in these conditions do not allow their children to spend time outside. The children go to school and then come home and lock themselves into the flat until their parents return from work. This isolation robs them of the very important development of social capital among their generation. This would normally occur as young people play sport together or attend extra mural activities where they develop shared values and solidarity. The prevalence of crime and violence therefore destroys a sense of community and of social cohesion, regardless of how old and established the community is. Further social decay results when young boys and men join gangs in the absence of alternatives.

Gangs address the needs of many youth today. They offer money, power and status and teach young people about survival. To counter this, it is essential that youth needs be addressed in interdisciplinary programmes run by development agencies. In addition, there are more and more adults who had previously disapproved of gang related activity, now joining the criminal economy due to economic pressure. They benefit from gang patronage in areas where gangs control housing allocation, pay rent, chase the Sheriff of the Court away, post bail, and provide money for living expenses. In short, they become the property of the gang leader.

World Bank, 1997:

"Gang war restricted mobility for social interaction. This in turn eroded space for community association. In Jamaica, dance halls, youth clubs and sports facilities no longer functioned because of the levels of violence."

Community members in these environments tend to withdraw from communal and participatory activities, finding that their homes are the only safe place to be. This erodes political capital as it becomes impossible for people to participate in decisions of a civic nature. This in turn renders local recreational facilities to white elephant status, or worse still, to empty buildings used by gangs for activities like rape.

There are also complaints of self-proclaimed landlords operating in informal settlements and also complaints of corrupt councillors who use public assets for their own purposes (e.g. the allocation of housing or trading licences).

Land and tenure

While there have been tremendous institutional and policy changes in the interest of land reform, many households in informal settlements still do not hold the title deeds to the land they have been living on for years. However, many of these households do not have the insecurity that was characteristic under the previous government. Land and shelter have become de facto assets in informal settlements where there is no legal title or ownership. Many people have built a livelihood on this asset (shelter or land) with the blessing of the street committee or local councillor, without a thought to the municipal authorities. The few who have considered the threat of displacement or penalty, plan to uproot and relocate somewhere else in the settlement, as they have done before. However, this contributes to vulnerability of the income earner and the next generation as in the case of the constant threat of displacement in the Boundary Road settlement, resulting in children being kept out of school.

Story 4: Security of tenure and household vulnerability

Boundary Road informal settlement is home to approximately 200 families who stay illegally on the land. The municipality often threatens to send bulldozers to clear the land. Each time there is a threat many families stay home. They fear that if they go to work or send children to school they will come home to find their shelter destroyed. They pay rent to a self-proclaimed landlord. The area flooded during the last winter and families were forced to move their shacks. During the disruption children were kept home from school. The disaster relief that was sent by aid organisations and state welfare agents was controlled by the landlord and thus was not fairly distributed.

Clearly, many people are prepared to tolerate serious risks and additional stress to live close to income opportunities. Tenure would certainly be an important physical asset. Whether it be in the form of ownership or permanent residence should depend on the needs of each household.

Security of tenure will also lead to consolidation of the actual shelters or dwellings, thus reducing vulnerability to disasters such as fire and flooding. Furthermore, consolidation of neighbourhoods or urban renewal is more likely where households have invested in a community through ownership. One of the factors that make urban renewal successful is an attitude of belonging (ownership) to a community that in turn generates attitudes of concern and responsibility for that community. Therefore, secure tenure has important social benefits as it enhances attitudes of belonging.

It is clear from the Safety Audits carried out by the Safer Cities Programme of Cape Town that the Portlands section of Mitchell's Plain is significantly safer and less crime-ridden than Tafelsig. Portlands residents live in houses on separate stands (84%), while Tafelsig residents do not. This appears to correlate with the generally better, cleaner and safer environment of Portlands. A similar phenomenon is clear in parts of Manenberg: the parts in which people own their houses, on separate stands, are much less gang-ridden than the areas where people are in flats.

The Unicity Commission's business plan for community safety and crime prevention calls for passing ownership of dwellings to the tenants, so giving them a stake in the conditions of the dwelling and environment. This should be explored as part of a community safety strategy within a livelihoods approach.

Structures and processes

Despite constitutional rights and land reform policy, access to land remains a major stumbling block in the struggle to alleviate poverty. South Africa has a range of policies and socio-economic rights to improve the quality of life of its people. However, most poor communities have no information about these policies or how to claim their rights. For example, many residents who become unemployed do not know of the municipality's indigent policy so they do not apply for support and end up in arrears with rent and service charges. Similarly, the new Child Support Grant is intended to provide those children who were left out of the previous welfare dispensation with some aid. However, most of them do not have a birth certificate or ID Book and therefore are not benefiting from this grant.

Resolve, 2000:

"The criminal economy is also built on illegal goods and services, guns, drugs, prostitution, protection, etc. It will not be possible to substantially damage gang organisation and control in these areas unless and until the parallel criminal economy is tackled".

Addressing corruption is especially important in achieving livelihood outcomes. Like inflation, corruption hits poor people the hardest because they do not have the money to pay off authorities to get the services they need. Furthermore, corrupt councillors, drug lords or “landlords” who demand bribes in exchange for access to resources they control, often hold poor communities hostage.

Achieving sustainable outcomes

This context cannot be seen outside of the global picture of neoliberal globalisation. The impact of globalisation on culture, technology, politics and the economy has affected people at all levels of society. One of its markings has been an increase in poverty and a reduction in government spending on social welfare. The co-existence of the formal and informal, the existence of criminal economies and the increase in the numbers of poor people as well as the degree of poverty, occurs globally and is connected to the dominant system of economic globalisation. Activists, such as the Friends of the Earth International, promote sustainable economies based on principles such as equity, democratic *and* participatory decision-making and sustainable natural resource management, as opposed to profit-making.

RECOMMENDATIONS FOR FURTHER RESEARCH

Quantitative methods such as household surveys have been used extensively in the CMA to gather poverty data. The use of qualitative methods that deepen understanding of the nature of poverty and what it means to be poor and what it takes to cope, have seldom been explored in the city. The language of sustainable livelihoods is unknown to the majority of those working in urban settlements. NGOs are not networking well enough to synthesise learnings and observations. This discussion document seeks to contribute to understanding the characteristics and causes of poverty. It should certainly be followed by deeper analysis of particular aspects, using tools such as participatory livelihood assessments or participatory poverty assessments. These potential research projects offer DAG the opportunity to draw other agencies into partnership processes. The recommendations below are not conclusive and are based on gaps identified during the research for this paper, by the writer as well as by key informants.

1. How can NGOs like DAG intervene in support of sustainable ethical livelihoods among the poor?
2. There is a need for cross validation of these experiences with relevant quantitative studies conducted by government and other agencies: the information gathered qualitatively can be enriched by statistical data. Studies to include the forthcoming report on UCT's survey on Labour Markets in the Mitchell's Plain magisterial district; The SA Participatory Poverty Assessment, 1997 (Data Research Africa); CMC's Levels of Living Report.
3. Explore a livelihoods approach to disaster management. Management of the tornado victims revealed a top-down approach from the municipality that led to further displacement.
4. Investigate the impact of AIDS on livelihood strategies and household structure. A recent rapid appraisal on living with AIDS in South Africa has also identified this as an important research area.
5. Examine communal models of sustainable livelihood such as the Rastafarian model: characterized by its ability to thrive in a Westernised economy, this form of livelihood has not eroded capital within the Rastafarian community. What lessons could be learnt?
6. Audit of indigenous and public institutions and organisations that support survival of the poor.
7. Monitoring the City of Cape Town's area-based management system: Action Co-ordinating Teams (ACTs) where these still exist. Service

delivery should strengthen existing household efforts to build a sustainable livelihood. An assessment of the degree to which service delivery interventions through ACTs have been able to link with existing ethical livelihood strategies, is important in learning and enhancing interventions.

8. Impact of the shift in the regional economy on household livelihood strategies:

It is estimated that approximately 80 000 jobs in the textile industry were lost in 1999. How have the large-scale retrenchments in the Western Cape affected livelihood strategies (e.g. non-payment of school fees), the position of women who are no longer the economic anchor of the community and the role of the criminal economy? What are the implications for lobbying?

9. Investigate the impact of clamping down on "loan sharks":

Government recently announced its intention to deal harshly with microlenders. What impact will this have on the poor who often regard microloan companies and informal moneylenders as a safety net.

10. Investigate the status of the Unicity Commission reports in current implementation processes in the City of Cape Town:

The Unicity Commission commissioned a number of excellent quality, thoroughly researched reports and strategic plans. They deal with poverty reduction, safety and crime prevention and participatory service delivery amongst others. It would appear that the recommendations and transformation processes proposed in these reports have not been implemented. The City of Cape Town needs to account for this since they have not replaced these suggested strategies with any other successful alternatives, besides the fact that it now amounts to a waste of public money.

Ahmedi Vawda, November 2000:

"In 15 years most youth in the Cape Metropolitan Area will be without family guidance due to death from Aids..."

APPENDIX A: INTERVIEWEES

Number	Name	portfolio	organisation
1.	Winston Richards	National Project Manager: small business development	Nicro
2.	David Sanderson (via email)	Policy and technical advisor at UK office	CARE International
3.	Steven Robins	Social Anthropologist	University of the Western Cape
4.	Pam Jackson (per telephone)	Social Worker	Ons Plek - for girls
5.	Suzette Sampson	Social Worker	Margaret's House – for boys
6.	Irvin Kinnes	Anti-crime researcher, policy and technical advisor	Centre for Conflict Resolution
7.	Petrina Roberts	Chief Executive	Menggoss
8.	Joanna Flanders Thomas	Peace facilitator	Centre for Conflict Resolution
9.	Anthony Florence	Project manager	CWD
10.	Achmat Brinkhuis	Councillor and community youth worker	PAYC
11.	Bealah Kriel	Community worker- rural Philippi	Child Welfare
12.	Pumla Maneli	Human Resources Manager	Valley Development Project
13.	Mrs Roro	Micro lender, entrepreneur	Khayelitsha
14.	Mrs Boo	Entrepreneur	Mitchells Plain
15.	Pat Francis (per email)	Programme Director	Wola Nani

APPENDIX B: SUMMARY OF SECONDARY DATA REVIEWED

Topic	Source
Urban Poverty	CMC Economic and Social Development Directorate, <u>A Poverty Reduction Framework for Local Government in the CMA</u> , January 1999
	DFID, <u>Sustainable Livelihood guidance sheets</u>
	Drinkwater, M, <u>Framework for describing livelihood analysis methods: participatory livelihood assessments</u> , CARE, 1998
	Drinkwater, M and Westley, K, <u>Methods for understanding urban livelihoods</u> , 2000
	Navarro, Lía, <u>Exploring the environmental and political dimensions of poverty: the cases of the cities of Mar del Plata and Necochea – Quequén</u> , Environment & Urbanization Vol 13 No 1 April 2001
	Robb, Caroline, M, <u>Can the Poor influence Policy: Participatory Poverty Assessments in the Developing World</u> , World Bank, 1999
	Sikod, Fondo, <u>Constraints to managing urban poverty in Cameroon</u> , Environment & Urbanization Vol 13 No 1 April 2001
	UNDP, <u>South Africa: Transformation for Human Development 2000</u> , Human Development Report, 2000
	Internet websites: www.livelihoods.org www.undp.org/sl www.undp.org.poverty www.worldbank.org.poverty.com www.capetown.gov.za
Impact of Formalisation	Robins, Steven, <u>Planning "Surburban Bliss" in Joe Slovo Park, Cape Town</u> , unpublished paper, Department of Anthropology and Sociology, UWC

Robins, Steven, 'A house is much more than brick and mortar': Housing Citizens in the Cape of Storms, unpublished paper, Department of Anthropology and Sociology, UWC

Smit, Warren, The impact of the transition from informal housing to formalized housing in low-income housing projects in South Africa, paper delivered in June 2000

Yose, Constance, From Shacks to Houses, Master of Social Science thesis, Department of Social Anthropology, UCT, 1999

DAG research on migration patterns (unpublished, Villiersdorp case study)

Criminal economy

Kinnes, I, Changing face of gangs: from street crime to urban criminal empires, ISS Monograph 48, June 2000

Unicity Commission, Business plan for a comprehensive community safety and crime prevention strategy for the city of Cape Town, 2000

Social capital

Robins, Steven Land, livelihoods and citizenship after apartheid: Rethinking the role of 'civil society', unpublished, Department of Anthropology and Sociology, UWC

Political capital

Cross, John C, in the *Encyclopedia of Political Economy*, Routledge, London & New York, 1998

Friends of the Earth, Towards sustainable economies, challenging neoliberal economic globalisation, #500 December 2000

APPENDIX C: EXAMPLES OF LIVELIHOOD STRATEGIES OF THE POOR IN THE CMA

- an individual having more than one job at the same time
- an individual having different jobs in different seasons (often in the informal sector)
- working for a micro enterprise or “sweat shop” (clothing factories that retrench permanent staff and use small, home-based work stations to manufacture instead)
- using natural resources: cutting wood, harvesting herbs and flowers (usually lilies) for the purpose of resale
- cutting wood or medicinal herbs from nearby sources for household use
- fishing (poaching or by permit) from the sea for household use and small scale trade
- acquiring a sewing machine and making and selling clothes locally
- different members of same household doing different jobs (including house work or child-minding without remuneration, usually done by women)
- buying on credit from large stores (those with some financial capital)
- buying on credit from spaza shops
- acquiring cash loans (those with some financial capital)
- borrowing from moneylenders
- piecemeal work e.g. adhoc construction work (by men), domestic (by women)
- begging door to door in the city’s suburbs (men, women, children sent by parent)
- begging at traffic lights (children sent by parent, women with [often borrowed] babies, men)
- buying and selling goods (those with some financial or social capital)
- selling stolen property
- buying stolen property (at lower prices)
- donations and loans from friends, neighbours, family, religious groups or welfare agencies (food parcels)
- theft (at work, on the street, burglary)
- social grants
- becoming a foster mother to qualify for social grant
- selling infected saliva/urine to another trying to get a grant due to TB
- deliberately arresting treatment to prolong receiving TB grant (eventually the body develops a resistance to the treatment, leading to more expensive treatment, possible permanent lung damage, with little hope of a cure)
- old age pension (the whole family would depend on it)
- selling resources like water and electricity (in some settlements people on one side of the street have infrastructure while the other side does not)
- renting out a portion of land or a room attached to your flat or shack (regardless of whether the landlord is a *de jure* owner of the property)

- renting out a portion of land or selling a site in a settlement that belongs to another landowner (acting as landlord)
- taking on a partner (spouse) with secure tenure (usually men) or staying with abusive spouse with regular income (usually women)
- starting a small business (tavern, spaza, etc.) - usually those with social or financial capital
- negotiating the formal market (e.g. selling repossessed houses on behalf of attorney)
- volunteering in community projects (with the hope of getting permanent work)
- participating in community projects like food gardens where there is a direct non-monetary benefit
- participating in community-based job creation projects like cutting down alien trees for a wage
- abuse of NGO patronage (through micro loans, sponsorships, donations or subsidies, e.g. attending a business training course to qualify for the loan and never actually starting a business)
- Use of small business loan to consolidate RDP house or finance trip to Eastern Cape at year end
- benefiting from gang patronage
- scavenging for recyclable goods or used items or food
- bartering door to door (using ornaments, farm produce, etc in exchange for used clothing or household items)
- remittances from family in rural area or elsewhere in the city
- temporary migration from rural area to city at different times for work opportunities
- selling secondhand goods in the township
- buying/collecting goods and selling in rural communities
- selling RDP house to pay moneylender and then moving to shack settlement
- assisting at nearest small business (usually children before and after school hours, also young women)
- savings schemes, stokvel, gooi-gooi (usually women)
- affiliating to a gang and working in the criminal economy
- swindling people out of their money under pretext of selling something or borrowing it for a third party

APPENDIX D: MANIFESTATIONS OF POVERTY IN THE CMA¹

The following tables facilitate an understanding of the multi-layered nature of poverty by examining how poverty manifests itself in the urban context.

Box 3: Manifestations of urban poverty related to spatial redevelopment²

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* Compensation on expropriated property (Group areas Act and Slums Act) was not paid out on the true value and so people lost money.</p> <p>* Because the state picked up the costs of removals (e.g. costs for District Six were estimated at R25 million at the time), and white people bought properties at discounted rates, there was effectively a transfer of assets or a subsidy. Over time white owners have made money from the deals, thus increasing the asset gap between black and white populations.</p>	<p>* Removals from places like District Six meant that perfectly sound houses, where 31 000 people lived, were demolished, thus increasing overcrowding and the housing shortage.</p>	<p>* Forced removals made people close down viable businesses.</p> <p>* Many people (especially women) had to give up their jobs because their new houses were too far from work. The Group Areas removal from Simonstown to Ocean View is an example.</p>	<p>* Areas where people were moved to (like Heideveld or Bonteheuvel) were further from town.</p> <p>* The affluence of some areas of the CMA relates, at least in part, to the fact that there are no poor areas anywhere near. Poverty is thus also concentrated in one (black) section of the city. This correlation between economic and racial segregation can be very clearly seen in the Levels of Living Report³</p>	<p>* Established communities were disrupted making it harder for people to depend on their neighbours for food or assistance.</p> <p>* Residents had to travel long distances if they wanted to continue to worship in their old church or mosques, and, especially for the elderly, and those with young children this was often not possible.</p> <p>* The District 6 museum includes many accounts which suggest that being removed just because of your racial classification was humiliating and undermining, especially as there seemed to be nothing that could be done to stop the process.</p> <p>* Longer travelling distances disrupted family quality times and reduced disposable incomes for leisure.</p>

1 CMC Economic and Social Development Directorate, *A Poverty Reduction Framework for Local Government in the CMA*

2 c. f. Western, J. 1996: *Outcast Cape Town*, UCLA Press, Los Angeles. There is a very rich secondary literature on removals, and substantial locally specific information is being collected through the land claims process.

3 CMC *Levels of Living Report*.

Box 4: Manifestations of urban poverty related to past housing policy⁴

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* The 'high apartheid' policy of the 1960s meant that infrastructure and housing subsidies allocated to Blacks were lower than those for coloureds, who in turn received a lower subsidy than that paid to whites. The impact of this can be clearly seen in the quality of the housing stock today.</p> <p>* Women did not qualify for houses and so did not get the state subsidy.</p> <p>* The management of sub-economic public housing in the CMA is still highly contested and problematic: because of the different housing management systems which prevailed under apartheid there is no uniformity in rent structure, tenure agreement, service charges, and waiting lists.</p> <p>* Under tricameralism coloureds received relatively larger subsidies for housing and so today the standard of units built at Khayeltisha and Mitchell's Plain is very different.</p>	<p>* Houses built for blacks were not built to the same standards as they were for whites. Many of these units for blacks are now very dilapidated and decayed.</p> <p>*The level of services provided to black residential developments was never as high as that in the rest of the city and in many areas there is still no waterborne sewerage or electricity.</p> <p>* Partly because of the coloured labour preference policy, insufficient housing units were built for the poor of the CMA. There is an estimated backlog of between 240 000 units⁵.</p> <p>* Only 21 % of the Black population of the CMA live in formal housing.</p> <p>* The housing shortage is for families currently living in informal settlements (mainly Black) and sub-letting in overcrowded formal housing (mainly coloured). There is roughly the same demand for each group.</p>	<p>* Job reservation meant that whites built the public houses that black people lived in.</p> <p>* Access to the old apartheid-built houses in black areas depended on having a job. These houses (in places like Langa) are now owned and as a result this constituency is relatively better off than those in for example Site C Khayelitsha.</p>	<p>* The new black suburbs had only housing provided, and so became lifeless dormitory towns without access to industrial or commercial developments.</p> <p>* The design of the three-storey flats makes family life difficult.</p> <p>* Poor quality construction means insulation is bad and temperature extremes prevail.</p> <p>* The poor planning layout means that streets are not safe, as it is not possible to avoid the gangs and crime.</p> <p>* The housing shortage is concentrated in the old coloured and especially in Black group areas of the CMA.</p>	<p>* Blacks were forced to become tenants not owners</p> <p>* Long waiting lists (about 80 000 long in 1997) encouraged corruption as people struggled to get access to housing.</p> <p>* Because land in prime residential areas was denied to blacks their potential asset base through property purchase was eroded.</p> <p>* A culture of non-payment developed in response to the fact that residents had paid rent for inadequate houses for so many years. This has continued and current estimates of rental arrears are high (65% in Cape Town in May 1997)</p> <p>* New housing seems unrealistically expensive to residents in the CMA used to paying rents based on the construction cost of houses built in the 1950s.</p> <p>* Levels of overcrowding in the formal houses of places like Langa is much higher than in informal settlements (7 per unit as opposed to 4.6). These levels of overcrowding impact on other issues like alcohol abuse and domestic violence.</p>

⁴ Spiegel, A. Watson, V. and Wilkinson, P. 1998: Housing and Difference in Cape Town, South Africa , forthcoming.

⁵ Figure updated by Development Action Group – backlog estimated at 240 000 units as at February 2002

Box 5: Manifestations of urban poverty related to past employment policy⁶

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* A large proportion of the Black population of the CMA has insufficient income to survive</p> <p>* The very high proportion of Blacks and coloureds who qualify for welfare reflects the old apartheid distribution of wealth.</p>	<p>The reason for the lack of formal manufacturing, trade and retail or recreational outlets in African townships is the Natives (Urban Areas) Act which tried to force Blacks to shop and work in white central business districts and to leave townships as dormitory facilities.</p>	<p>*Although unemployment in the Western Cape is low (19 % in 1999) because of the long imposition of influx control and the coloured Labour preference policy, 30% of the potential African workforce of the CMA is unemployed (2001).</p> <p>* Poor education quality associated with Bantu education makes it difficult, especially for Blacks, to get jobs. Levels of education among household heads in Cape Town are low, with only 60 % having more than a standard five pass and only 10 % having a matric in 1995).</p> <p>* The history of job discrimination helps explain why in 1995 whites, who comprised only 25 % of the CMA population earned over 60 % of total income, while Blacks (19% of the population) earned only 6 %. Coloureds (54% population of the CMA) earned 29 % of the income.</p>	<p>* The CMA was the heart of the 1954 coloured labour preference area. This meant that coloureds received priority over Blacks in getting jobs. This helps explain why Blacks in the CMA are worse off than Africans in other metro areas.</p> <p>* Efforts to keep Blacks out of jobs in the Cape has profoundly distorted the whole economy and is the major cause of current inequality.</p> <p>* Although over 1 million people live around Mitchell's Plain, Khayelitsha and on the Cape Flats, there are only 90 000 formal jobs located in the south east of the CMA.</p> <p>* About 280 000 people have to travel, at great cost, from their houses in the south east to jobs in the north west of the CMA each day. This pattern is the direct result of apartheid planning.</p>	<p>* Mazur points to the high proportion of Blacks in Cape Town who depend on remittances, not wages, to survive</p> <p>* Almost all business, including manufacturing, trading and services in Khayelitsha are informal and they are therefore only small scale employers.</p> <p>* If you lived in one of the 4 storey flats in Langa and you lost your job you also lost your house. This happened to Blacks who were considered to be only temporary residents of urban areas. As a result they could only stay in town as long as they had a job.</p> <p>* Because of the barriers to entering the formal sector many Africans have found work in the informal sector. This is especially true of women, who are twice as likely as men to work in this sector.</p> <p>* High levels of gang activity in the CMA relates to sustained patterns of unemployment , especially among coloured youth.</p>

⁶ This section draws on : Mazur, R. E. and Gangule, V. N. 1995: *Household Dynamics and Mobility of Africans in Cape Town: Appropriate Housing Responses*, Western Cape Community Based Housing Trust, Cape Town.

Labour Research Service ; An Integrated Development Framework for the Cape Metropolitan Area: Draft 1, CMC.

Box 6: Manifestations of urban poverty related to the costing of basics and services⁷

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* Tariffs for electricity and water in the CMA favour commercial over residential interests</p> <p>* In the past, the rating structure tended to be heavily biased in favour of large wealthy properties like those of Constantia.</p> <p>* In the past, indirect subsidies paid by Councils for libraries, parks and other recreational services were spent disproportionately in wealthy areas, where these facilities are predominantly well located relative to the population of the area.</p>	<p>* A quarter of families living in shacks (about 23 000 households) in the CMA do not have access to potable water. The cost of purchasing water that is not supplied in bulk is much higher per litre because of `water bandits`.</p> <p>* In 1992 most Africans in informal areas of the CMA had no electricity connection - even those in formal townships were not necessarily connected (only 10 % connection rates in Guguletu). There were similar patterns with respect to water and sanitation.</p> <p>* Levels of refuse collection in the black areas of the CMA are low, even for South African metropolitan standards.</p>	<p>* There is a contradiction in the fact that poor people can only afford to pay for small amounts of any basic commodity. As a result there are many spaza shops in the townships and this is a large source of employment, especially for women, but it means that the cost of food and fuel is much higher per unit than it would be from a supermarket.</p> <p>* There are also people who make lots of money by charging poor people high unit costs for basic services like water.</p>	<p>* Because of the history of the Natives (Urban Areas) Act and the fact that there were no large formal retail outlets in poor areas, poor people have to travel far to do basic supermarket type shopping. This is expensive and inconvenient, especially for women, who assume the major responsibility for this task .This is only recently changing in Khayelitsha with the development of retail facilities.</p> <p>* The provision of non-residential services like police stations and clinics was biased towards old white group areas.</p>	<p>* Many people who are connected to electricity do not make full use of it because they cannot afford the cost. They therefore use more time consuming unhealthy fuels. In some cases the use of wood or paraffin may even be more expensive, but people see it as easier to control their use patterns, which makes it more `affordable`.</p> <p>* A rent and rates boycott dates back to 1985 as part of the general resistance to racist urban policies. The boycott still partially continues.</p> <p>* Gangs control shops (through running protection rackets) and this increases the price of goods. The 1998 bombs in Athlone highlighted the severity of the problem.</p>

⁷FCR 1998: 'Local economic development in Khayelitsha', Paper prepared for Isandla Institute, Cape Town.

Box 7: Manifestations of urban poverty related to urbanisation policy⁸

Welfare - subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* Many CMA based Africans remit a portion of their already meagre wages to rural family.</p> <p>* The migrant poor demand very little from the CMA in their old age as they tend to return to the Eastern Cape at this expensive time of their lives.</p>	<p>* Sufficient housing was not constructed for Africans. As a result, most families lived either in the old hostels intended for single men or in informal settlements.</p> <p>* The first major squatter camps emerged in the CMA in the late 1970s as the coloured labour preference policy became impossible to maintain and places like Crossroads (with a population of 60 000) emerged.</p> <p>* The policy of migrant labour established a tradition of single quarters in the CMA. In 1996 the LaGuNya hostels housed almost 10 % of the African population of the CMA.</p> <p>* In 2000 84 000 households in Cape Town lived in shacks in informal settlements (City of Cape Town, 2001).</p> <p>* Migrant communities who do not regard the CMA as home may be unwilling to consolidate settlements like Imizamo Yethu.</p>	<p>* The pattern of migrancy means that the labour force of the CMA is often educated in the Eastern Cape, where living conditions and education standards are low. This undermines the quality of the labour force of the CMA and may reduce overall competitiveness.</p> <p>* An important source of employment for women is domestic work, but this often depends on living away from family on the property of an employer.</p>	<p>* The poor of the CMA may not consolidate within the urban area. As many as 13 % of Africans living in the CMA who own property elsewhere planned to invest in those properties rather than consolidate in the city. Thus money earned in the CMA is not spent in the CMA, reducing multiplier economic benefits.</p> <p>* The state built Khayelitsha to rehouse Crossroads residents using site and service principles, very low servicing and construction standards (e.g. a site tap, no foundations) and a relatively high density of plots. The low standards were justified because of the 'temporary' urban status of the residents.</p> <p>* There are often tensions between the established urban population of the townships and the migrant workers who live in hostels. In Langa they are physically separated by a road barrier.</p>	<p>* A large proportion of household heads (Mazur estimates about one third) have not been in the CMA for more than 10 years. Information and resource networks, especially in informal areas, are therefore oriented to rural areas rather than to others within the CMA. Lack of information about an urban area is a major cause of poverty as residents do not access services or find out about jobs.</p> <p>* More African men than women favoured the idea of returning to the Eastern Cape.</p> <p>* Although very poor, residents of settlements like Imizamo Yethu, Marconi Beam and Weltevreden Valley almost all travel at least once a year (at great cost) to their rural home where many have children living.</p> <p>* Migrant workers in the CMA have long lived in overcrowded conditions that are unsuitable for family living, but average occupancy rates are as high as 3.5 people per bed space in hostels</p> <p>* Migrant families are divided families. The breakdown of the family is seen as a major cause of social dislocation and is strongly correlated with poverty and crime.</p> <p>* The choices individuals make about whether or not to settle in town or to remain circular migrants are determined by personal as well as structural forces.</p>

⁸ Thurman, S. 1997: *Umzama: Improving hostel dweller's accommodation in South Africa*, *Environment and Urbanisation*, 9, 43-62. Spiegel, A. Watson, V. and Wilkinson, P. 1998: Women, difference and urbanisation patterns in Cape Town, South Africa, *African Urban Quarterly*, forthcoming.

Box 8: Manifestations of urban poverty related to popular struggles

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* Under tricameralism there was an effort to buy coloured votes by increasing the subsidies like housing and pensions. These subsidies, which impacted positively on the CMA in the 1980s and early 1990s were subsequently cut back. As a result, there are some households that are much worse off than they were before 1994.</p>	<p>* Anti-apartheid clashes in the streets (as in Athlone) led to burning and destruction of property. * Popular opposition to Regional Service Councils meant that standards of normal infrastructure maintenance slipped. * The early 1990s collapse of Black Local Authorities in the CMA meant that the upkeep of the built environment deteriorated. * The ongoing boycott of services, which started as an anti-apartheid strategy, is eroding the fiscal base of the CMA.</p>	<p>* 646 schools were closed in the Western Cape in 1985 as part of the school boycott. The loss of education prevented many people from getting well paid jobs later on in life. * Perceived political instability remains an issue in attracting investors (even local investors) into township areas. The Khayelitsha business centre is a good example of this. * The establishment of organised crime syndicates in the struggle years, when police had little control, has led to unchecked crime that erodes investment and formal job creation.</p>	<p>* Getting access to a site in Crossroads depended on paying one of the leaders. * Current gang territories date from the times when the police could not control townships.</p>	<p>* Massive external intervention in the Crossroads squatter areas set in motion illegal and ungovernable dynamics of community organisation. * Street Committees set up to represent people in communities sometimes also abused their powers, extracting protection levies from poor households * Police used to get information about activists by bribing gang leaders in return for ignoring gang activity. Under these conditions gangs, who now terrorise the poor, flourished.</p>

Box 9: Manifestations of urban poverty related to globalisation⁹

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<ul style="list-style-type: none"> * Trade tariffs and taxes are waived to attract foreign investors. * Subsidies paid by the CMC for city marketing aim to attract global capital. * Rates policies favour commercial and industrial activities. * Sanctions meant local industries never learnt how to compete globally * The apartheid government pursued decentralisation which had a negative impact on urban industry, making it harder to compete nowadays. 	<ul style="list-style-type: none"> * Demands for the CMA to become globally competitive underscore the call for massively expensive infrastructural development (such as the airport or harbour upgrade). These costs are never compared to the benefits of upgrading infrastructure (like public transport or housing). 	<ul style="list-style-type: none"> * There are a large number of Black migrants, many escaping the effects of structural adjustment at home, working in the CMA. The evidence suggests that many create jobs for female migrants from the Eastern Cape, especially in the craft industries. * There are only 16 000 new formal jobs created each year in the CMA, but there is a demand for work from about 35 000 additional job seekers every year. * The restructuring of industries like the clothing industry has seen massive job cutting and outsourcing. * Wages for piece work are lower and conditions of work are much less. This change has had a particularly negative impact on the coloured sections of the CMA population who traditionally dominate the clothing and fishing industries, where these changes are most obvious. * Globalisation often results in increasing dependence on low-income informal sector jobs. 	<ul style="list-style-type: none"> * Cape Town's massive tourist orientation, which is its greatest global asset, is geographically biased to focus on the mountain, the winelands and the Atlantic seaboard. This ignores not only the Cape Flats, but also nearby beaches like Macassar. Poor investment in township areas makes it difficult to attract tourists. 	<ul style="list-style-type: none"> * A relatively large proportion (10%) of some informal settlements like Imizamo Yethu are made up of foreigners who do not qualify for housing subsidies, and there are some signs of tensions between citizens and non-citizens. * Major sections of the metropolitan population are extremely poor and never move outside of their immediate neighbourhoods, and are thus largely unaware of any of the global influences in the CMA. * The Anglicisation of the global economy has a major impact on the population of the CMA where the dominant language, especially of the poor, is Afrikaans. * Many of the new illegal global opportunities (like drugs and crime) are the only activities open to the poor. Growth of these illegal sectors has a very negative, often violent, impact on ordinary residents.

⁹ CMC1997: *Moving Ahead: Interim Metropolitan Transport Plan*, CMC, Cape Town; Peberdy, S. and Crush, J. 1998: *Trading Places: Cross Border Traders and the South African Informal Sector*, South African Migratory Project, Policy Series No 6.; McDonald, D. 1998: *Left Out in the Cold? Housing and Immigration in the New South Africa*, South African Migration Project, Policy Paper no 5.

Box 10: Manifestations of urban poverty related to the labour process

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* The CMC puts large scale resources into supporting business activities (e.g. through Westgro).</p> <p>* The CMC subsidises the monitoring of formal business in the CMA, but does not do so on the same scale for the informal sector where the economic activities of the poor are clustered. This is also the fastest growing portion of the economy.</p>	<p>* The structure of rates in the CMA favours large commercial interests.</p> <p>* The costing of bulk services favours commercial and industrial interests over those of residents, especially the poor who often do not have mass provided services.</p>	<p>* Many workers (about 14 % of the formal workforce) have wages that are so low that they also work part time in the informal sector.</p> <p>* The increasingly uneven wage structure of the formal economy means that the CMA is characterised by growing levels of inequality. Wage levels in growth sectors like tourism are particularly low and are not always able to sustain household needs.</p> <p>* Many firms claim that union demands for minimum wages erode their job creation potential.</p>	<p>* Major infrastructural investments (like roads and port upgrading) are done to facilitate the activities of formal business, but similar infrastructural investments (like public toilets and washing facilities) are not always provided for small scale informal activities.</p> <p>* The infrastructure of the CMA is heavily biased to historically white residential areas, and this pattern is likely to continue because of the concentration of commercial activities in these zones, thus making redistribution and reorientation identified in the Metropolitan Spatial Development Framework possible. A good example is the development of Century City over the Philippi node.</p>	<p>* More than 60 % of the unemployed of the CMA were under 30 years of age (1991 census).</p> <p>* The unpredictability of income in households of the CMA means that households employ diverse strategies to secure their needs. These include dispersing dependants, intra-settlement mobility and borrowing from (and lending to) large numbers of sources.</p>

Box 11: Manifestations of urban poverty related to social structure

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* Overt gender discrimination in subsidies has been removed but there continues to be a major bias, especially in the housing subsidy, over who actually receives the benefit.</p>	<p>* Transport in the CMA, especially public transport, is geared more directly to the needs of men and does not easily accommodate demands related to shopping patterns or child care. * Poor quality water, waste and sanitation causes disproportionately high levels of disease among women and children in the CMA.</p>	<p>* Wage rates for women in the CMA continue to be lower than for men * Women dominate the lower income informal sector positions. * Unemployment among women is higher than for men.</p>	<p>*The allocation of space within hostels in Langa, Guguletu and Nyanga discriminated against women in the hostel hierarchy, whose bed rights are not formally recognized, but are dependent on a male partner. * Women are overrepresented in informal housing because formal houses were often transferred to the male tenant.</p>	<p>* Men tend to dominate the structures of political representation like SANCO or other organisations represented on the RDP Forums. * Women tend to be burdened with cooking and cleaning in addition to formal cash work. * Domestic violence is high, due to poverty, stress and alcohol abuse</p>

Box 12: Manifestations of urban poverty related to national housing policy¹⁰

Welfare and subsidies	Infrastructure	Jobs	Space	Livelihoods
<p>* There is a gap between the income needed to purchase a privately built house and the income that entitles a household to a state subsidy. Thus, within the CMA there is a significant category, especially of the working poor, who do not get a subsidy and cannot afford to acquire adequate housing on their own.</p> <p>* More than 50 % of the total population of the CMA and 90 % of the Black population of the CMA falls into the under R2500 per month category, while 63% fall into the category which entitles them to state housing subsidies (under R3500 per month).</p>	<p>* The quality of new subsidized houses is such that they are unlikely to withstand the harsh Cape environment.</p> <p>* The poorest cannot afford to upgrade the houses built with the subsidy and so the CMA continues to be characterised by unconsolidated settlements.</p> <p>* Between 1995 and 2000 only 48 000 subsidised houses were delivered in the CMA. * Formal townships often have backyard shacks, which can generate exploitative relationships between landlords and tenants.</p>	<p>* Slow delivery of low-income housing has not created jobs for unskilled workers.</p> <p>* There is no support (e.g. through soft loans or arbitration between landlords and tenants) for the private low-income rental market, thus reducing opportunities for self-employment.</p>	<p>* The housing subsidy is barely sufficient to cover the costs of an adequate topstructure on an adequately serviced site, even if land in cheap peripheral locations like Delft and Khayelitsha is used.</p> <p>* The subsidy favours low density one-house-per-plot construction that is inefficient, unsustainable and expensive to service.</p> <p>* It is not clear whether the large number of migrants living in the CMA have taken up their subsidies in the urban area or in the Eastern Cape.</p> <p>* The construction of state housing subsidy linked units is not being related to the aims of the Metropolitan Spatial Development Framework.</p>	<p>* The current form of the subsidy does not meet the needs of the poor of the CMA who are unable to afford and do not desire a serviced site with some form of top structure in a peripheral location.</p> <p>* The poorest sections of the population seem unable to meet the costs associated with home ownership.</p> <p>*Despite the fact that many of the poor indicate that they would prefer rental housing (one estimate suggests that this figure may be as high as 49% of Africans in the CMA), they are forced to become owners to get a subsidy, thus reducing mobility and fixing expenditure patterns.</p> <p>* Current housing policy is drawn from supply side concerns and ignores the fact that different households want different accommodation at different times of their lives. This is especially true for the large migrant population.</p>

¹⁰ This section draws directly on Behrens, R., Watson, W., Wilkinson, P. 1998: 'Towards an Appropriate Institutional Framework for Specific City-Wide Interventions in Housing Provision', Draft Report for Cape Metro Council; Ramphele, M. 1993: *A Bed Called Home*, David Philip, Cape Town.