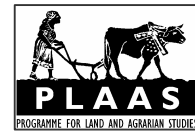




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Vulnerability and Social Protection at the Margins of the Formal Economy

CASE STUDIES FROM KHAYELITSHA AND THE EASTERN CAPE



December 2006

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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Figure 1 (Cover) A woman walks home in Enkanini on the outskirts of Cape Town

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Authors' Note

This report summarises some of the most important results of an in-depth investigation into the social dynamics of vulnerability and social protection commissioned for National Treasury via SIPP: a research programme aimed at Strengthening the Impact of Pro-Poor Programmes in the Budget, run by the National Treasury, South Africa.

The research agenda for this project was developed through a dialogue between National Treasury and the Programme for Land and Agrarian Studies at the University of the Western Cape, as part of its partnership with the Chronic Poverty Research Centre (CRPC), an international network of researchers focussing on chronic poverty (www.chronicpoverty.org). In its partnership with the CRPC, PLAAS strives to do basic work that illuminates some of the core dynamics of persistent and structural poverty in South Africa in a way that permits engagement by both government and civil society; by policy interested researchers and by decision makers. The initial discussions that led to the formulations of this research programme took place in mid 2004; the project itself started in April 2005; and fieldwork took place between June 2005 and February 2006. In part, the project was also an attempt to explore and test the potential of in-depth qualitative methods in the exploration of poverty dynamics. The material elicited through fieldwork proved to be very rich. The current report touches on some of the most important and policy relevant patterns highlighted by field material. We hope that the insights described here, and the conclusions we draw, will be of use to all the role players who are concerned with crafting appropriate and effective social policy in South Africa, and with developing adequate policy responses to the challenge posed by persistent poverty in our democracy.

Andries du Toit and David Neves, December 2006

Executive Summary

INTRODUCTION

This report sets out the results of an in-depth study of livelihood strategies and ‘coping mechanisms’ among poor people in one very specific, but highly significant context of poverty in South Africa. Its core concrete concern is with social grants and cash transfers; but it does not focus narrowly on how they are administered and used. Instead, it firstly focuses on the broader context of the livelihood strategies and coping mechanisms within which these are used - strategies that might be called ‘private social protection’ and which other researchers have referred to as ‘distal social welfare’. Secondly, it is motivated by a conviction that social protection and social grants should be aimed, not only at the important goal of alleviating poverty, but also supporting pathways out of it. While current research clearly suggests that the massive expansion in social welfare has made possible a significant reduction in monetary poverty, a decisive and further reduction in poverty requires attention to the *structural* conditions that interrupt or impede these pathways out of poverty. If these underlying structural issues are not addressed, there is a very real danger that social protection, and social grants in particular, may end up contributing only towards ensuring what might be called ‘managed poverty’ - in other words, a situation in which poverty is managed through the amelioration of its harshest effects - but not reduced in a sustainable manner.

These concerns are widely shared. They are embodied in emergent policy discourses about the possibility that persistent poverty may be due to people being mired in a ‘second economy’ that exists parallel to but in disconnection from the economic mainstream; and also in hard fought and often deeply divided battles about the appropriateness or impact of social grants. Solving these questions requires an in-depth investigation into the actual livelihood strategies of people at the margins of the formal economy. While models of economic behaviour can highlight some of the strategic issues faced, an understanding of the way in which individuals and households actually take decisions also requires exploration of the nature of local realities, social meanings, identities and embedded, institutionalised forms of practice.

The present study cannot answer these questions for all poor South Africans. It looks instead at livelihood formations among poor people in the African township of Khayelitsha, and one impoverished district in the Eastern Cape. Inevitably this is a somewhat localised understanding. Though the locales on which this study focuses are of central importance, and cast much light on the nature of livelihood strategies in the aftermath of Apartheid migrancy, this locatedness also confers limits. Although the centrality of migrancy means that our findings are not only of relevance narrowly to the sites of study, care must be taken in extrapolation and generalization.

KEY FINDINGS

Vulnerability and Private Social Protection

The research casts important light on some of the key causal dynamics of persistent poverty and the responses of those on the margins of the formal economy

- 1) In the first place, the report suggests that **it is necessary to go beyond the limitations of the concept of the ‘second economy’ in explaining or accounting for poverty and vulnerability.** Far from poor areas being characterised by disconnection from the ‘mainstream economy’, they seem in many ways highly integrated - but on adverse terms. Rather than think about poor people being ‘structural disconnected’ from the mainstream economy it is important to look at the ways in which they are connected - and how to ensure that those connections are to their advantage.
- 2) The report argues that self-employment (and in the rural areas, informal agriculture) **still plays a crucial role in ameliorating poverty and contributing to food security - but these activities are also strikingly fragile and marginal.** One key issue is that there is a policy vacuum around the so-called survivalist sector; and SMME policy fails to grasp the the real difficulties faced by those engaged in truly ‘survivalist’ self employment.
- 3) A corollary of this is the suggestion that important as the informal sector is, **poverty eradication needs to be a central focus also in mainstream economic policy making.** Job creation and formal employment must be a central plank in any sustainable poverty eradication programme.
- 4) The report highlights the central role of **private social protection** in ameliorating the consequences of poverty and vulnerability. It shows how the individuals and households in the study responded to the challenges they faced by participating in complex practices of reciprocal exchange within spatially extended care chains that allowed them to distribute resources, risks, costs and even people within elaborate urban-rural networks. Gendered ‘care chains’ constructed around paid and unpaid care work play a key role in these networks. These networks and practices may even be seen to create a patchy but extensive system of ‘distal social welfare’ that helps reduce poverty and vulnerability even for many not linked to the formal economy or not in receipt of grants.
- 5) The report however argues that, as important as this system of ‘distal social welfare’ or ‘private social protection’ is, it has fundamental limits. In the first place, these networks are fragile. The failure of the mainstream economy to create appropriate jobs, and the rising crisis of HIV & AIDS impose insupportable burdens on them. Secondly, these networks and practices work in very uneven ways. ‘Social capital’ does not benefit everyone in the same way. Some of the forms of exchange it relies on or enables are thoroughly unequal, and there are net winners and losers. Those who are not empowered within patriarchal ideology – particularly unemployed youth, single female household heads and women who do not toe the traditional gender lines – are more likely to be marginalized, ostracized, exploited or punished.

- 6) Within this context, the report describes the complex ways in which people made use of social grants. Findings offer support to other studies that have argued that social grants – particularly pensions and disability grants – play a crucial role in enabling survival, not only for direct recipients, but also for other household members and sometimes even for distant connections. The report shows the wide range to which grant moneys could be put: in addition to improving food security, social grants were used as ‘seed money’ for businesses or as a subsidy to keep self-employed activities going; to support informal agricultural activity; to invest in acquiring or improving housing stock or property; and to invest in the education of household members. Receipt of social grants empowers those who would otherwise be marginalised in their social network, allowing them to ‘transact’ and accumulate ‘social capital’ on their own behalf.

Key policy implications

This analysis of the dynamics of vulnerability and the role of social spending leads the report to suggest a number of key policy implications

- 1) In the first place, the report highlights the need for *closer integration between policy on economic growth more generally, and that on poverty*. There should not be a conceptual distinction that sees ‘pro-poor’ policy as the function of a ‘social cluster’ only and which disconnects it from mainstream economic policy.
- 2) The report therefore also reiterates that an effective poverty reduction policy in South Africa needs pro-poor job creation at its centre. Important as the informal sector is, it has a supplementary and dependent role; and employment creation for poor people in the mainstream economy must be a central part of any sustainable poverty eradication policy in South Africa
- 3) *Policy talk about ‘eliminating the second economy’ is of limited utility in addressing the problems faced by those at the margins of the formal economy*. Rather, steps need to be taken to ameliorate the actual disadvantages poor people face in relation to the broader economy.
- 4) One aspect of a more ‘integrated’ poverty reduction framework is to ensure that cash transfers are not simply recycled back into government through cost recovery from poor people. There are too many instances - school fees are one - where social grants are essentially used to subsidise the budgets of other government departments. This undermines the effectiveness of social spending.
- 5) *Another key area for better integration with pro-poor policy is in the broad area of housing policy and spatial development strategies*. The perpetuation of the spatial legacy of apartheid puts poor black people far from the economic hubs and imposes massive transport costs upon them.
- 6) A key symptom of the lack of an integrated pro-poor policy is the vacuum in government policy around supporting the survivalist sector. The ‘survivalist’ sector plays a massively important role but the policies and conceptual framework through which government approaches the SMME

sector have not yet succeeded in confronting the real challenges faced by sub-micro ('nano') and 'survivalist' economic activity.

- 7) A further challenge to an integrated pro-poor policy framework are the skewed economic playing field faced by micro-enterprise and self-employed people. Ways are needed to address anti-competitive behaviour and crowding out of self-employed activity by formal firms. This is a challenging area and will need creative approaches.
- 8) In the field of social policy itself, the report re-affirms the central role of cash transfers in mitigating vulnerability. The report offers support to the idea that social grants, besides simply allowing survival, also plays an important socially and economically empowering role. The broader socially and economically empowering role of grants should be valued and protected in policymaking and implementation.
- 9) There seem to be little grounds for supporting the notion of conditional social grants, e.g. rendering the payment of child care grant conditional on school attendance. There is already a very high commitment to education, and conditionality is unlikely to have additional incentive effects. Truancy is likely to be a symptom of breakdown of control in the household, and withdrawing child grants from such households is likely to further disempower female household heads and reduce their domestic authority.
- 10) The utility and effectiveness of cash transfers requires careful attention to the *enabling conditions* on the ground for effective grant use. One key factor that undermines the effectiveness of social grants is the way in which administrative discretion and official inefficiencies impose costs on poor people. Careful systems design and training needs to be aimed at ensuring the user-friendliness of these services and reducing their propensity to impose additional costs on poor people. Making grants conditional is likely to increase levels of bureaucracy and the costs these impose on poor people.
- 11) *Delivery systems also need to take into account the mobility of grant recipients.* Pension pay-out systems imagine that recipients are sedentary, but the reality is that migrant social networks require many people – including the elderly and disabled – to be mobile and to travel between provinces. The fact that a pension is paid out only in a specific province is another factor that imposes unnecessary transaction and opportunity costs on grant recipients, and hampers their survival and coping strategies.
- 12) *The empowering effect of social grants transfers appears to be linked to the fact that they are paid over as money.* This should mitigate against proposals that grants should be paid over in a non-cash form, e.g. as vouchers. Vouchers would undermine the socially empowering effects of pensions and DG pay-outs; given the cash-hungry nature of poor households, making grants available in vouchers is likely only to produce a situation in which vouchers are exchanged for cash, perhaps even at a discounted price. This would significantly reduce the effectiveness of social spending.
- 13) The report confirms the importance of the need for developing a *comprehensive* social security system, both to address the situation of those

falling outside the present system and to remove perverse incentives and distortions.

- 14) The report stresses that current ‘coping mechanisms’ *are under severe stress* and can probably not cope indefinitely with the severe strains imposed upon them by high levels of unemployment and the HIV/AIDS crisis.

The main body of this executive summary provides an overview of the research approach, sketches the social and historical background of the areas studied, highlights some of the key features of migrant livelihoods, describes the forms of vulnerability produced by the social and economic context, and the ways in which poor people respond to these challenges. It then discusses in detail the ways in which social grants are used and the implications for policy

CORE RESEARCH QUESTION

The priority questions informing the project were pursued in relation to a core research question: *What is the impact of the provision of social grants on the strategies whereby people make a living and seek to escape poverty?*

This in turn was unpacked into three subsidiary questions:

- *What do people on the margins of the formal economy do in order to survive?*
- *How do people get into (and out of) poverty?*
- *How do people use social grants, and what role do grants play in the decisions that people make about strategies and activities that affect their prospects of getting into / out of poverty?*

RESEARCH APPROACH

The current report is shaped by a broadly *sociological* understanding of poverty. Although monetary deprivation is an important *indicator* of poverty, this indicator should not be confused with the underlying condition it indicates. Poverty is here understood not simply as monetary deprivation but as a *complex, multidimensional state of material lack and ill-being* of such a nature that it *undermines the basis of minimal social and economic agency* - preventing the person(s) in question from being able to live an even minimally human life. Understanding poverty requires an investigation not only of peoples’ resource endowments, but also of the *social relations* within which they use those resources. Developing this understanding requires the integration of qualitative and quantitative modes of investigation.

The baseline for the study was provided by an in-depth Household Livelihood Survey of 1348 households done in 2002 by the Programme for Land and Agrarian Studies (PLAAS) in partnership with the Chronic Poverty Research Centre (CPRC). This survey involved a detailed profile of poverty indicators, resource endowments and health issues in three focal areas: Mount Frere in the Eastern Cape; selected African townships in Cape Town, and the fruit producing region of Ceres. From this study a subsample of 48 households were randomly selected from the first and fifth expenditure quintiles of households in Sites B and C, Khayelitsha, and three villages in Mount Frere in the rural Eastern Cape. These households were subjected to an in-depth qualitative survey involving semi-structured interviews focussing on household structure, livelihood activities, social capital and grant use. On the basis of these interviews, ten households were selected for in-depth investigation that

included detailed mapping of social networks, kinship structure and life histories. These were followed up by focus group interviews in which emergent themes were further tested and explored.

Qualitative interviews elicited a wealth of complex detail. Analysing this detail poses particular challenges and calls for what is known as a ‘medium-n’ study - a study that surveys a number of case studies too great for individual presentation, and too small for statistical analysis. In this project, a *clustering* approach was used to group households, following which cross-cutting themes were identified for further exploration. In the body of the report, these themes and groupings are illustrated through the detailed presentation of life histories and case study descriptions.

POVERTY IN MOUNT FRERE AND KHAYELITSHA: A BACKGROUND AND PROFILE

Poverty in Mount Frere and Khayelitsha is shaped by the history of the development of the system of migrant labour in the context of segregation and Apartheid. These created very complex and strong linkages between the rural economy of the Eastern Cape and key sectors of the formal economy. The collapse of employment in the mining and manufacturing sectors means that entrants to the labour market today face a very different and challenging context. This brings with it the prospect of even greater marginalisation.

The 2002 PLAAS-CPRC Household Livelihood Survey highlights some aspects of the poverty situation created by this history. In the Eastern Cape, the survey shows high levels of access to land (87% of households) - but this high access to land is not translated into increased food security, with 93% of households reporting more than 40% of their expenditure allocated to food. Some 40% of households report that no member has access to paid work, and grants make up 79% of income in grant-receiving households. Almost 80% of households reported going hungry for some of the 12 month period prior to the survey. In the Western Cape, 36% of all adults were reported to have paid work, while 28% of households were reported to have no adults with access to paid work. A little more than a fifth of adults in the urban sample were reported to have access to paid employment. A third of households reported the loss of a job and income by a breadwinner in the previous year.

LIVING IN THE MIGRANT SYSTEM: AN OVERVIEW

Qualitative analysis of particular case studies highlights some of the complex dynamics behind these figures. Although each case study is singular, they can powerfully illustrate some of the realities about the nature of livelihood strategies in the aftermath of Apartheid era migrancy. Some key features stand out

- (1) In the first place, the case studies highlight the *central role of ‘social capital’ and social networks*. High levels of resource sharing and reciprocal exchange between households fundamentally ameliorate and shape the impact of monetary poverty, and play a fundamental role in the strategies people develop in dealing with poverty and vulnerability.
- (2) Secondly, *households are neither stable nor clearly bounded*. In-depth interviews and a comparison of the findings of the 2005 and 2002 surveys reveal high levels of domestic fluidity, with almost every household in the sample changing composition in an important way.

- (3) These flows are shaped by decades of migrancy, which have set up *strong and complex systems of connection* that link households to one another across large distances. These connective systems have survived the end of Apartheid-era migrancy, and continue to be the vectors for significant flows of resources. Even some poor and marginalised households can be found to be characterised by high rates of saving and back-investment into the Eastern Cape rural economy, foregoing significant levels of consumption in order to ensure the accumulation of rural assets, ‘building the homestead’ and the accumulation of status and *isidima* (material and social dignity).

These systems and networks are vital to understanding the configuration of livelihood strategies in the areas studied. *Individual choices are profoundly shaped by underlying livelihood strategies that involve investments, exchanges, and distributions of resources, people and risks within the larger spatially extended network constituted by kinship networks and the rural-urban linkages created by decades of migrancy.* The flows of resources are not simply unidirectional. Rather, resources and people move back and forth between rural contexts and urban, responding to shocks and opportunities.

- (4) Fourthly, self employment and informal economic activity play a vital role in these networks. Qualitative interviews uncovered much higher rates of participation in economic activity than suggested by the 2002 survey. Self employment seems to be *ubiquitous* (present to some extent in the vast majority of households), *elusive* (hard to surface in quantitative and even in qualitative research), *vital* (making a crucial contribution to livelihoods) and *marginal* (highly constrained, and profoundly limited in terms of returns).
- (5) Fifthly, *care work and household reproductive labour* are central to individual and household choices. This is firstly because the massive investments of labour and time required by these activities - particularly from women; but also because of the significant economic *value* that they represent. *Care and household reproductive work need to be recognised as central forms of ‘social value creation’.* They are usually not paid or directly rewarded but they do figure in complex processes of reciprocal exchange. These processes (and the terms of exchange) play a key role in determining who is vulnerable and who is not.

DIFFERENTIATING MIGRANT HOUSEHOLDS

Although the features described here are true of each household in the study, there were also important areas of variation and change.

- (1) In the first place, households could differ from one another in terms of the nature of their *insertion into and connection with the formal economy.* Households ranged from those with members that had permanent formal sector jobs, through those that relied on regular remittances from non-resident members, to those that had no reliable connection to formal economic employment at all.
- (2) Secondly, households could differ from one another in terms of the nature of their involvement with *self-employment and small-scale informal economic activity.* This ranged from involvement in relatively remunerative

businesses requiring some endowments of skill, significant assets, or protected positions within the informal economy, and which were to some extent enterprises with an economic existence separate from that of the households, through to households involved in micro (or even ‘nano’) enterprises not readily distinguishable from the domestic economy; through to households with no discernable involvement with self-employment or informal employment at all.

- (3) Thirdly, households differed in the extent of their involvement in *agricultural activities*. Some households invested highly in agriculture and relied on it significantly; for some it constituted an important but essentially supplementary activity; while others had no investment in agriculture at all.
- (4) Finally, households differed from another in terms of their location within broader networks of *kinship*. Some households were important social hubs, strongly and centrally connected with a tightly integrated network of kin and other allies. Some were not so central but were still an integral part of a larger spatially distributed kin and social network. A third group of households were socially isolated or marginalised; either disconnected from their broader sets of kin connections or at considerable disadvantage within these relationships.

CLUSTERING HOUSEHOLDS

An initial survey of the characteristics of households and their overall well-being suggests that households essentially clustered into four (‘fuzzy’ and somewhat overlapping) groups.

- (1) **Urban-connected rural households:** Some of the households in the deep rural areas were clearly profoundly influenced by the fact that they had established strong linkages into the urban economy: either they were receiving significant remittances from urban non-resident members or closely linked non members; or they were households that had such links in the past, and had managed to consolidate significant savings either on the basis of remittances, retrenchment or retirement packages. These households would often be large, pluri-active, significantly involved in formal, informal *and* agrarian activities; they often had a strong local patriarch or matriarch at the centre of a tightly integrated kinship network.
- (2) **Urban-disconnected rural households:** At the other extreme of the rural spectrum were rural households that had lost – or which had never had – a strong urban connection. These usually relied heavily on social grants, and on doing poorly paid (and sometimes only paid-in-kind) local service work. They would often be female-headed; they had little or no resources for engaging in agricultural activity; and they were usually isolated and marginalised within their larger kin network.
- (3) **Rural-connected urban households:** Some households in the urban areas, in turn, were distinguished by having strong and vibrant rural connections. Sometimes these would take the shape of high rates of rural remittance, savings and back-investments. Sometimes these connections would also allow these households to rely on the support of rural kin. Care arrangements, in which rural kin took care of offspring, were of key

importance, often allowing urban households to survive employment related shocks; and sometimes essential to allowing members to be economically active. The importance of these links was evident partly in the significant resources that could be devoted to maintaining and servicing them.

- (4) **Rural-disconnected urban households:** Finally, there were urban households that had weak links with rural kin, or where these links had become severed. This seems to be a variegated group. We know that some households that fall into this group are those that have successfully in-migrated to the urban context. Though they might have some sentimental and social links with rural areas, they seemed neither to be investing back into the rural areas, nor to rely heavily on rural kin. These households were a small minority in the sample (they are somewhat unusual in Khayelitsha) but anecdotal evidence indicated their existence. Another group of households were those that had lost their rural links, or had become marginalised or isolated within them, but who had not managed to establish a secure foothold in the urban economy. Again, these were often (but not always) female headed households, and they were invariably those with the highest levels of ill-being and deepest poverty. Like their isolated rural counterparts, these households were heavily reliant on social grants and on poorly paid self-employment and menial service work; they however were even less able to engage in agriculture.

CONTEXTUALISING VULNERABILITY: BEYOND THE ‘FIRST’ AND ‘SECOND ECONOMY’

Being able to identify vulnerable and impoverished groups of households and to link their poverty to their place within the larger infrastructure of spatially extended kin networks is important, but it is only part of the story. Another important element of the story needs to be an understanding of the economic context that creates these forms of vulnerability in the first place.

In recent years, a growing body of theoretical and empirical research has identified the possibility that there may be important structural aspects to poverty that undermine the ability of the poorest and most marginalised to escape from it unaided. The dominant way in which these issues have been framed is with reference to the notion of a ‘second economy’ - the notion that the persistence of poverty for many in South Africa is explained by the fact that they are excluded from the ‘First World economy’ and subsist in a underdeveloped, informal economy, existing alongside but disconnected from the economic mainstream. While this is an important advance, some scholars have warned that there is a risk of sliding back into the economic dualism that characterised liberal economic thinking during the 1970s - a tendency to conceive South Africa in terms of a ‘successful’ mainstream and a problematic periphery; coupled with a failure to see how the two are in fact intimately connected. To avoid this danger, it is important to understand in detail the actual structural insertion of poor people into the broader economy.

De-agrarianisation and corporate penetration in the Eastern Cape

In the Mount Frere area, poor people’s economic prospects are defined by the broader context of deep and sustained under-development. Three dynamics stand out in particular.

- (1) **De-agrarianisation:** Agrarian activities continue to constitute a vital and often under-estimated component of livelihood activities. At the same time they are increasingly marginalised and undermined by other dynamics. One important contributing factor is increasing levels of monetization - evident, for example, in the increasing reliance on mechanical traction. Poorer households do not have the money to plough by tractor. At the same time, livestock ownership has become more concentrated, which means that poor households cannot rely on animal traction. These elements form part of a vicious circle of de-agrarianisation driven also by declining incentives to protect poorly fenced fields against stray livestock, ability to pool the labour and resources required for agricultural production.
- (2) **Extractive corporate penetration:** Another important role is played by the penetration into the deep rural areas of well resourced firms that are able to extract profits from even the most impoverished areas, and which crowd out local activity. Retail deregulation has led to the collapse of trading stores that were at the hub of a local agrarian economy; these have been replaced by large national supermarkets whose supply chains by-pass local producers that siphon money out of the local context, and that compete sometimes head-to head with informal traders.
- (3) **The collapse of mining and manufacturing-based migrancy:** Thirdly, the economic institutions and sectors that supported male circular migrancy and rural 'back-investment' and remittances are in collapse. Informal migrancy continues, but it is much more risky and remittances may be declining. What resources the better off households have managed to accumulate often represent the benefits of past processes of saving and back-investment. Several of the better off households included in the study are subsisting off defined benefit retirement or retrenchment packages. The rolling out of old age pensions and disability grants can compensate for this to some extent, but in the context of the increasing care burdens and narrowing economic options imposed by the HIV & AIDS epidemic and the underdevelopment of agriculture, these shifts raise serious questions about the medium to long term prospects for economic growth and employment.

Race and space in Khayelitsha

In Khayelitsha, the context of vulnerability is defined by four very different dynamics:

- (1) **The nature of formal employment:** High levels of unemployment are partially driven by the fact that economic growth in Cape Town is dominated by the service sectors, particularly in business process outsourcing, financial services and tourism - sectors in which African migrants, often lacking English and appropriate tertiary education - are poorly positioned to compete. What employment is available is often highly insecure and transitory.
- (2) **Monetization and insecurity:** Secondly, urbanisation and integration into the urban economy is a double edged sword: while closeness to the urban sector assures greater chances of employment and a better income the local economy is far more thoroughly monetized, and there is no agrarian

economy that can cushion monetary shortfalls. While cash is more plentiful, the effects of cash shortfalls are more dire; while closer integration into the urban economy brings increased opportunities, it also means that urban livelihoods are more sensitive to fluctuations and changes in that economy.

- (3) **The spatial legacy of Apartheid:** While it is populated mostly by those who have left the Eastern Cape and the rural areas to seek jobs in Cape Town, those who live in it are still in a very large measure economically, spatially and racially marginalised from the city. In an important sense, Khayelitsha is in, but not of Cape Town. It is situated more than 30 kilometres away from the city centre, remote from the shopping and manufacturing sectors where most of the jobs are to be found. Travel to and from these centres is expensive and even dangerous. Unemployed African migrants in Khayelitsha trying to make a living from informal economic activities are essentially pinned down in the poorest parts of Cape Town.
- (4) **Corporate penetration and crowding out:** As in the case of Mount Frere, while poor people are not able to gain access the markets constituted by the wealthy city hub and white suburbs, 'first economy' corporations have untrammelled access to markets in marginalised communities and again are likely to be crowding out informal sector activity.
- (5) **Crime and violence:** crime and violence - and the fear of crime and violence - are a central fact of life in both research sites. Some current research indicates that fear of crime and criminality may play an important role inhibiting plans for informal economic activity. In more than one case, informants corroborated this, indicating that crime, violence and the fear of violence was an obstacle to their informal economic activities

Together, these factors mean that while African migrants constitute the majority of those that migrate to the city, they are also among the city's poorest and most marginalised inhabitants.

The ineffectiveness of the local state

In both Mount Frere and in the Eastern Cape, another contributing factor is the ineffectiveness of the local state. In the context of Mount Frere, traditional authority was in cases found to be highly ineffectual and marginal; and while there had been an increase in the roll out of vital services such as clinics, these social goods were often undermined by levels of poor functionality that reduced their utility and effectiveness. Capture of local resources (including corrupt access to grants) by local elites further disadvantage the poor, while in a range of ways, informality - not only in land tenure, but for example in the definition of conjugal contracts - also systematically disadvantage the powerless.

Implications for self-employment and informal economic activity

These contextual factors tended to undermine and limit the scope for self-employment and informal economic activity. *In this research project we did not attempt to assess the profitability or sustainability of any 'informal businesses' or investigate in depth the micro-economics of informal economic activity.* Such an investigation would require a detailed research project in its own right. At the same time, in-depth interviews produced many insights into the nature of the

informal economic activities, their place in people's livelihood strategies, and some of the constraints and difficulties that they faced.

- (1) **The nature and scope of self-employment.** An overview of the nature of self-employment in the households involved in the study reveals the relatively narrow range and marginal nature of self-employed activity. While these activities often required limited outlay of capital or training, they were for that reason also highly overcrowded and competitive. Contrary to popular notions that township residents lack entrepreneurial spirit or know-how, case studies reveal the significant amount of ingenuity, strategic knowledge, and high levels of effort required to keep even micro and 'nano' businesses afloat. Often the competitive edge for these businesses was provided by their dependence on complex networks of social relations; in other cases they required the willingness to invest huge amounts of hard work, effort and time for slender and insecure gains.
- (2) **Synergies with domestic economies and reliance on formal employment and grants:** Secondly, research highlighted the supplementary and complementary nature of informal economic activity. Businesses were often poorly distinguished from the domestic economy of the households that engaged in them - not because the people engaged in these businesses did not understand basic business principles, but because of the realities of poverty and vulnerability, and strategic realities that would make such a separation impossible. Closely linked to this was the way in which informal economic activity often relied on complex synergies with other activities and sources of cash. Engagement in informal retail, for example, was often made possible by access to formal wages, or on the seed money provided by social grants.
- (3) **The politics of credit:** Finally, a key theme that emerged from interviews was the need not to *get* credit but the need to *provide* it. Interestingly, neither the quantitative survey nor the qualitative interviews provided much support for the notion that the lack of adequate micro-credit created a situation where extortionate lending by informal lenders (*mashonishas*) helped to perpetuate poverty. Informants did highlight the significant issues linked to *giving* credit. In the money-scarce context of township life, the survival of businesses often relied on their ability to manage the demands of customers for credit. This was one of the reasons why businesses relied so heavily on the framework provided by already existing social connections. At the same time, this had highly gendered implications - women (particularly those without male allies) and those marginalised by other factors such as identity are at a disadvantage in dealing with the complex power politics of informal credit. This heavily constrains the returns that are available to them.

MANAGING VULNERABILITY: AGENCY AND SOCIAL CAPITAL

Vulnerability, risk and livelihood strategies

The study elicited much data that allow a deeper understanding of the ways in which poor people managed their vulnerability, strategising to reduce the impact of shocks and to escape from poverty. Managing 'social capital' was one important part of these sets of activities, but before engaging with social capital, it is

necessary to look in some detail at some items on the broader menu of imperatives and aims that seemed to inform individual and household choices.

- (1) **Developing a range of livelihood activities:** One key strategic issue relates to the ability of individuals and households to combine a wide-ranging portfolio of livelihood activities and kinds of resources. Successful households were often able to use one resource or activity to ‘leverage’ their gains from another. Pluri-activity was present in most households - a notable exception being households that had recently lost formal employment, and in which all available resources were being concentrated on the hope of regaining employment. Successful pluri-active households were distinguished not only by having a wide range of activities and resources, but also by considerable skill in using them - and by some level of internal co-operation in balancing conflicting household member needs. *This ability to co-operate, to co-ordinate and to negotiate internally was present both in well-to-do households, and in highly impoverished households that were successfully managing to reduce their vulnerability.*
- (2) **Investing in education and access to the labour market:** In the struggle to reduce vulnerability and escape poverty, access to formal employment was the first prize. Research revealed the significant investments of effort households put into trying to ensure that at least one member had access to formal employment. One key example was the significant levels of investment in education. Even when investment in education had in the past not proven to bring results, households would continue to invest heavily in their school-age children in the hope that such investments would pay off in future. Research also highlighted the significant *risks* involved in migration to find jobs, particularly for those without strong pre-existing networks of kin. In some cases, returning to rural homesteads, even impoverished ones, was the only option for urban job-seekers in between assaults on the urban job market.
- (3) **Securing urban and rural outposts:** A vital difference was clearly made for individuals and households by the ability to rely on a geographically distributed network of rural and urban outposts. For rural households, connections with urban kin were important not only because of possible remittances, but also by the crucial footholds these could provide for future migrants. For urban households, rural kin constituted a vital resource. Numerous examples were found in the study of urban households sending offspring back to the rural areas in response to economic or other shocks. The receipt of pensions by rural kin played a role here, but clearly the agrarian economy also helped rural households absorb the shocks transmitted to them through these practices.
- (4) **Investing in social standing:** Social capital and social standing played a central role in enabling rural households and their members in practices of reciprocal exchange (see below). The willingness of even poor households to invest massively in funerals and in male initiation testifies to the crucial economic role played by household standing and respectability.
- (5) **Consumption and asset smoothing and other practices:** Research also elicited data about complex ‘indigenous’ asset and money management practices. A wide range of strategies exist, ranging from ‘asset smoothing’ (where people minimize consumption in order to protect assets) to

sophisticated ‘lay accounting’ and financial management techniques aimed at protecting particular bundles of resources (e.g. discrete and sometimes small ‘pots’ of money dedicated to particular purposes).

- (6) **Securing patronage:** Access to patronage can play a very significant role. Key sources of patronage included patronage from (usually white) employers, but patronage from government officials and traditional authorities could also play an important role. Although these could give them significant access to resources, all of these also meant that the recipients of patronage were subject to disadvantageous power relations.
- (7) **Ensuring one’s place in the household.** One important strategic terrain where interests could converge - but where they could also diverge in negative ways - was in individuals’ relationships to the households to which they were attached. Attachment to households could sometimes be the only strategy open to those who had failed to find independent livelihoods - but this could often lead to significant tension and internal conflict. Often household members would be appearing to ‘earn their keep’ by contributing to households in non monetary ways; but sometimes the forms of reciprocal exchange involved in these internal dynamics were perceived to be unfair and unequal and gave rise to significant tension. These interpersonal trade-offs are deeply shaped by gendered power relations

Social capital and reciprocal exchange

Although the term social capital has come to be widely used in recent times, it is often used very vaguely and misunderstood. One problem is that even the theoretical literature is widely divergent. Some theorists speak of social capital as ‘generalised social trust’ - surely an important thing, but not something which is much help in understanding how poor people manage vulnerability. Rather, ‘social capital’ should be analysed with reference to the very particular social relationships within which it is mobilised and used. Social capital was accumulated and mobilised partly through engagement in complex patterns of reciprocal exchange; depended significantly on the pre-existing assets to which people already had access; was shaped centrally by the kinds of social relationships within it was used; and also by the underlying frameworks of social meaning on which these practices drew.

- (1) **The importance of underlying social relations:** The research highlighted that the way in which social capital could be used and the forms of exchange it relied on were powerfully shaped by the *nature of the local social relations* within it was used. Clan, village and kin networks were all important - and each allowed *different* kinds of exchange and reciprocation. In the urban areas, community and neighbour networks were much less important, and kin networks (particularly relations to close kin) were much more important.
- (2) **Power and reciprocity:** The forms of resource sharing that social capital allowed always involved processes of *reciprocal exchange*. These forms of exchange were not necessarily equal. Gender and status powerfully mediated the terms of exchange. The ability of households to extract unpaid care work and household reproductive labour from its female members is a case in point. Sometimes, these processes of reciprocal exchange can end up deeply marginalising and disadvantaging those who are

not empowered by patriarchal discourse. The isolation and poverty of some of the urban-and rural-disconnected households described in this study are directly due to the unequal distribution of social capital and the unequal forms of exchange it can engender.

- (3) **Care chains and rural urban linkages:** The networks created through kin connections and migrancy, and the processes of sometimes unequal reciprocal exchange play a key role in setting up complex ‘care chains’ between urban and rural households, in which rural households often end up taking care of the offspring of urban dwellers. Similar care chains exist within urban and rural contexts. These care chains can play a vital role in helping households’ weather health and employment related shocks - but by that very token they are also mechanisms by which shocks and burdens are transmitted from one household to another.

The dark side of social capital

These patterns mean that social capital should not simply be seen as a universally good thing. Policy thinking which is simply about ‘promoting social capital’ can serve to obscure the ways in which social relationships and practices of reciprocal exchange can be both advantageous and disadvantageous to poor people. In addition to the fact that criminal networks and others mobilise *destructive* forms of social capital, even ‘good’ social capital is unevenly distributed, can result in net disadvantage for marginalised groupings, and is also linked to danger and conflict. ‘Jealousy’ and the fear of ‘gossip’ are key ways in which poor people experience the negative underbelly of the processes of reciprocal exchange on which they depend. Another powerful example of the dark side of social capital is provided by the processes of demonization and even violence directed at women who do not toe the patriarchal line. Here, the socially constructed values that dictate who has social capital and who does not can come to punish those who do not conform to conservative definitions of what is appropriate for their gender.

This is a particularly important issue given the changing nature of the conjugal contract and the high levels of pregnancy in women outside the context of marriage. Although fertility rates in South Africa are dropping, fertility rates among young African people are still quite high. At the same time, there are indications that fewer people are forming conjugal unions secured through the payment of *lobola* (bridewealth) and formal community recognition. These patterns have given rise to popular explanations which focus simply on the choices of the young women concerned - for example the notion that young women are having children to get access to the child grant. Such a choice would of course be profoundly irrational, given that the direct and indirect costs of childrearing are far greater than the grant income. A more realistic explanation would centre on broader economic shifts and changes. An important part of this shift flows from the collapse of formal unaccompanied male labour migrancy as it existed in the Eastern Cape in previous decades, and the closure of the economic path to manhood that it enabled. A generation of young men are no longer able to constitute independent households, and large numbers of African women enter into relationships - and have children, with no legal or cultural sanction protecting their rights within the relationships. Technically, of course, they are entitled to claim maintenance from the biological fathers of their children, but this right exists in theory only: even where the fathers were employed and could pay maintenance the women involved often seemed reluctant to press home their claims.

CASH TRANSFERS AND LIVELIHOOD STRATEGIES

In a few cases, interviews elicited detailed information about how grants were spent. In most cases, informants' reports about grant expenditure were more general; but interviews also included information about the use of grants not only within the household but in the distant households to which they were linked.

In most households grants clearly made a significant impact on day to day survival, allowing recipients to secure basic energy and food needs. As has been shown by other studies, grants were in many cases also used to benefit household members other than the primary recipient. In many cases receipt of a pension or a disability grant also made it possible for a recipient to do care work. In a significant number of cases grants played a role in other economic activities or investments, functioning as seed money for informal economic activity, facilitating involvement in agriculture, allowing them to acquire, build or improve homes, and in supporting offspring's education or migrancy in search of work.

Another important aspect of these case studies is the way in which they highlighted the extent to which the wise expenditure of a grant was a *collective* household endeavour; with careful *co-operative* decision making about the allocation of scarce monies. It is true that how a grant would be spent would be an individual person's decision - but that decision is taken in the context of the intra and inter-household debts, obligations, expectations, claims and counterclaims involved in the practices of reciprocal exchange and the relationships and the social relationships these practices work to sustain. This should not be romanticised - clearly individuals do use grants selfishly or even inappropriately. How a person uses their grant will be partly shaped by their own history and their disposition and the extent to which they have themselves bought into familial, communitarian and domestic values. It will also be profoundly shaped by their social status and role. Gender plays a role here: both men and women can choose to invest heavily in the well-being of their families but they do so in very different ways. Two issues here are of particular significance to policymakers.

- (1) **Social grants and the supra- and inter-household distribution of benefits.** Some scholars have highlighted the possibility that social grant expenditure may lead to a reduction in private remittances, and have argued that if private donors give less as public transfers increase, the effect of public programs on beneficiaries would be less than originally intended. The considerations raised in this report helps put these concerns in context. The concern that cash transfers could crowd out social remittances is plausible only if one considers households in isolation. If a household is held to be a strongly bounded, independent, autonomous economic unit, the reduction of remittances in response to the receipt of a social grant would indeed be a zero sum game. But this is not the case. So although in many cases it is true that grants reduce remittances, this is merely part of the larger process whereby resources are 'moved around' in the spatially extended networks created by practices of social reciprocity, migrancy and kin connections, and constituting a vital form of 'distal' or 'private' social welfare.
- (2) **Gender, social capital, and marginalisation.** Secondly, it seems that the receipt of social grants can help ameliorate some of the ways in which social exclusion results from the unequal and gendered workings of social capital. In a context where women - particularly single household heads -

can end up marginalised and socially excluded, grants allow them to transact in their kinship network and can give them resources that make them empowered agents in processes of reciprocal exchange and accumulate social capital.

The research findings highlight the crucial role played by informal systems of social protection for people at the margins of the formal economy. Crucial as these systems are, they have severe limits, and are very uneven and differential in the way they impose costs. Evidence seems to indicate that social grants play an important role in sustaining these ‘coping strategies’ and allowing some economic and social capital. These benefits should be valued and preserved.

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A note on names

Names of informants have been changed in accordance with agreements on anonymity. Households have been referred to by their case numbers in the 2002 CPRC/PLAAS household livelihood survey dataset, an anonymized copy of which is available. Agreements with informants included the permission to use their likenesses and photographs of their names, but guaranteed anonymity. Where place names could conceivably have lead to anonymized informants being identified they have been changed as well. Interview records and transcripts are archived in the Centre for Popular Memory at the University of Cape Town, as is a set of anonymized set of case study sheets. These will be available to the public. A list of pseudonyms and a key to informant's names will be lodged at the Centre for Popular Memory. This list and access to full transcripts and interview recordings is available to bona fide researchers who comply with the Centre for Popular Memory's release and confidentiality protocols.

1 INTRODUCTION: ECONOMIC DEVELOPMENT... OR MANAGED POVERTY?

1.1 The policy context

This report sets out the results of an in-depth study of livelihood strategies and ‘coping mechanisms’ among poor people in one very specific, but highly significant context of poverty in South Africa. Its core concrete concern is with social grants and cash transfers, but this concern is embedded within a broader framework. In the first place, social grants must be seen as only one of the forms of *social protection* more generally, understood as the full range of public interventions that can help people manage risk (Holzmann and Jorgensen 1999). Secondly, this report will argue that the instruments of social protection and ‘social risk management’ need to be embedded in a better understanding of the ‘*private*’ strategies poor people themselves have developed to manage risk and survive. Thirdly, our concern with social protection is linked to a conviction that social protection strategies should be solidly integrated within a broader focus not just on alleviating the impacts of shocks and reducing poverty and ill-being, but also with supporting *pathways out of poverty*.

This concern is especially relevant in South Africa at the time of writing. While growth has been strong, and there is evidence that monetary poverty may have been reduced (van der Berg *et al* 2005) it is important to note that the reduction in poverty identified by van der Bergh *et al* is a reduction in *income* poverty and is largely due to the rolling-out of welfare spending. In the first place, as van der Berg *et al* themselves point out, there are limits to the extent to which welfare payments on their own can accomplish further reductions in poverty. Secondly, reducing *monetary* poverty is not necessarily the same as attacking the underlying structural conditions that produce it. Fundamental shifts in the nature of the South African economy mean that people with low asset bases, poor education and mostly manual skills are poorly positioned to participate effectively in the economy (Bhorat 2000; Bhorat 2004; Rodrik 2006). While somewhere between 1.4 million and 2 million new jobs were created between 1995 and 2003, increases in labour supply mean that the overall unemployment rate also increased (Casale *et al* 2004; Burger & Woolard 2005). Real average remuneration rose, but this benefited mostly those in well-paid and skilled jobs, while unskilled employment declined (Seekings 2003, Seekings *et al* 2003). This has led to a growing awareness of the extent and depth of *structural* poverty in South Africa, perhaps most prominently and explicitly recognised by government in the idea that many South Africans are caught in what has come to be called a ‘second economy’ existing alongside but disconnected from the economic mainstream and finding expression in high rate of unemployment (Mbeki 2003; Policy Co-ordination and Advisory Services 2006).

If these underlying structural issues are not addressed, there is a very real danger that social protection, and social grants in particular, may end up contributing only towards ensuring what we might call ‘managed poverty’ - in other words, a situation in which poverty is not reduced or even increases, but is managed in *the medium term* by ameliorating its harshest effects. In the long run, of course, such a situation is not sustainable, since sustained economic growth in South Africa

arguably requires much lower levels of inequality and a population with much higher levels of human and social capital. In the longer run it is vitally important that social protection is designed in such a way as to not merely reduce ill-being and ameliorate the *effects* of poverty, but that it also supports pathways *out* of poverty.

This highlights and contextualises the importance of ongoing debates about social protection and social grants in South Africa. South Africa is unique among 'developing' and middle income countries for having a relatively extensive social welfare system, including not only provision for child care and child foster care grants, but also provision for relatively generous 'non-contributory' pensions (Lund 2002). This system was essentially inherited from the previous regime, and expanded and deracialised by the democratic government (Sagner 2000); although government has remained committed to this system, it remains open to question whether there is a clear national commitment to the system or a broadly shared agreement on its role and contribution. Debates around cash transfers have been lent extra impetus and urgency by massive increases in social spending. Driven principally by significant increases in the numbers of beneficiaries for pensions and child grants, social spending increased by more than R22 billion in real terms between 2000 and 2004 (Van der Berg *et al* 2005)); and this is planned to continue increasing at a similar rate in the near future (Department of Social Development 2006). Though these increases have generally been welcomed, there are fierce debates about the direction of future policy (Makino 2004). At the bottom of these debates are important questions about the extent to which social transfers enable or disable long-term escape from poverty. The effectiveness of social grants in reaching the poor and alleviating poverty is generally accepted (Ardington & Lund 1995; Case & Deaton 1996; Barrientos & Lloyd Sherlock 2002). But while it is clear that social grants - especially pensions and disability grants - can technically lift a household above the poverty line, and while there is a wide acceptance that they can make a strong impact on child nutrition (e.g. Duflo 2003); it is not clear to how they fit into the broader picture of livelihood strategy and labour market behaviour. Should grants be paid in the form of a cash transfer or in the form of redeemable vouchers? Should grant pay-out be made conditional on other desirable behaviours such as school attendance or participation in preventative health care schemes? And what about the impact of cash transfers on economic behaviour more generally? What are the implications, for example, if pensions allow unemployed people to attach themselves to households that are situated in rural households far from labour markets (Klasen and Woolard 2005)? Or, to take another example, do pensions result, as Bertrand and others have argued, in the withdrawal of people from the labour market (Bertrand *et al* 2003) – or do they, as Posel *et al* have showed on the basis of the same data, allow labour-seeking migration by younger female household members (Posel *et al* 2004; see also Inder and Maitra 2004)?

These debates are often highly charged. Questions about whether grants create a culture of dependency are sometimes dismissed as narrowly ideological (see e.g. Makino 2004); and it is true that some interventions appear to be entirely inspired by free market doctrine rather than empirical evidence and that debates are often framed in moralistic terms that draw their persuasive power more from popular discourses (e.g. about the dangers of a culture of dependency, or 'moral panic' about the supposed sexual behaviour of young women) rather than from an dispassionate analysis of the realities of vulnerability. At the same time, it is important to note that such questions touch on an important underlying issue. Can social grants have an impact on the underlying 'structural' conditions that lead to

people being trapped in poverty? Can access to cash transfers be not only an effective means for reducing the effects of poverty, but also a means of economic empowerment? Can they support pathways out of poverty? And if the answer is – as it is likely to be – ‘sometimes’, or ‘it depends’, what are the *additional* factors or arrangements that need to be in place for cash grants to be optimally effective as instruments that can affect poverty reduction?

Answering this question requires us to know a lot more about the actual livelihood strategies of people at the margins of the formal economy. Much can of course be learned from economic models, but economic modelling – trying to explain labour market participation decisions in terms of reservation wages, for instance – depends on making appropriate assumptions about the key factors that inform people’s decisions; and those assumptions can not simply be deduced *a priori*. People are rational interest-maximising creatures, to be sure, but what is ‘rational’ in any particular context is highly situational and defined also by local realities, history, culture, identity and institutionalised practice. Although the explosion of quantitative research in South Africa has meant that there now is more information than ever before about income, expenditure and other resources at individual and household level, it is still true that not much is known about how poor and vulnerable people actually make decisions on the ground.

This report attempts to explore this picture in more detail. Its key focus is on building a better understanding the strategies poor people use to cope with the daily realities of life at the margins of the formal economy (or, to put it in current discourse in the ‘second economy’). What is the nature and parameters of the forms of vulnerability they experience? How does this impact on them? What are the strategies people have developed in order to reduce risks, cope with shocks, make a living, and perhaps even get out of poverty? Only once we understand these can we really understand, also, the role social grants and other forms of social protection play within this context.

1.2 One piece of the puzzle

These are large and complex questions. As we shall argue in the pages below, it is not possible to answer them in terms of sweeping generalisations. Livelihood strategies evolve in particular contexts: they are shaped by local economic realities and are informed by culture, history, local memory and the forms of embedded and embodied knowledge that circulate in local communities, that are transmitted through cultural practice and that are contained in identities.

This is an important point to bear in mind for readers who are used to econometric or rational choice modelling. Though models can help us think about the strategic options open to imaginary people in hypothetical situations, understanding the factors that constrain and inform behaviour in the real world requires us to go further, and to root our analysis in an understanding of the local livelihood formations that are actually in place at a given locality at a certain point in history. And this means there is a price to be paid. While a more fine-grained, situated account increases the depth and validity of our understanding, we have to lose some generality. Any sufficiently detailed account of how people make decisions in a particular situation will always to some extent be limited to the context that is described.

This report, therefore, can at most provide one - albeit important - part of the jigsaw puzzle. It looks at the choices and actions of *one very specific group* of poor and marginalised South Africans: poor people in two suburbs of the African township of Khayelitsha, and in three villages in a remote rural district of the Eastern Cape. These places have been carefully chosen: they were selected because they have been shaped by the history of migrant labour – an institution of central importance in the economic history of South Africa. For this reason, much of more general relevance can be learned from them. But for the same reason, one has to be careful in generalising. Some of the realities we describe in the following pages may be generally true for everyone surviving at the margins of the formal economy in South Africa; others will be true only for the livelihoods of people in migrant labour networks; and some will be specific to Khayelitsha and the remote Eastern Cape only. For this reason we will need to be careful when we extrapolate from our research, and when we explore the implications for policy.

1.3 Key findings

With these *caveats* in mind, it can be said that the research cast important light on some of the key structural factors that contribute to the vulnerability and poverty people experience, revealed much about the ways in which people on the margins of the formal economy try to reduce this poverty and vulnerability, and illuminated the role cash transfers play in these survival and coping strategies. These findings raise some significant issues for consideration by policymakers, and suggest some of the possible considerations that might influence policy decisions.

1.3.1 Understanding structural poverty: beyond the ‘second economy’

One of the most important contextual findings of this report is that it *is necessary to go beyond the limitations of the concept of the ‘second economy’ in explaining or accounting for poverty and vulnerability*. Although the notion of the ‘second economy’ has played a valuable role in creating space for recognising the structural nature of poverty and the limitations of ‘trickle down’, it is not a helpful way of understanding the nature of poor people’s structural disempowerment. This is because most ‘second economy’ discourse pivots on the notion that people’s poverty stems from a ‘lack of connection’ with the ‘mainstream economy’. Very often, these assumptions lead to an analysis that supposes that poor people’s problem is that they are ‘excluded’ from the economy, and that getting out of poverty depends on them being ‘more integrated’ into that mainstream economy

Research findings suggest that the picture is far more complicated. This report will argue that *far from poor areas being characterised by disconnection from the ‘mainstream economy’, they seem in many ways highly integrated*. Rather than ‘disconnection’ the key issue seems to be *on what terms* people are incorporated. The report argues that poverty and vulnerability seem to stem *inter alia* from the fact that people’s incorporation into the economy is on adverse terms and subject to unequal and adverse power relations. One important axis of this kind of ‘adverse incorporation’ involves the high degree of monetization of people’s livelihoods in a context where money is scarce. In the Eastern Cape the decreasing availability of animal traction and the increased centrality of mechanical traction, for instance, means that ploughing can be more efficient: but it also means that those who do not have money cannot plough. Another axis is the depth of penetration of even the economy of so-called ‘deep rural’ areas by large

corporations that are able to ‘suck’ money out of local economies and crowd out informal entrepreneurs.

This should not be taken to read that the report suggests that incorporation into the formal economy is necessarily bad. (Clearly, for instance there are also advantages to rural people of the increased availability of cheaper consumer goods). Rather, the report suggests that careful attention needs to be given to the details - to the precise ways in which people are connected into the economy, and the power relations that shape the nature of their connection. Rather than simply trying to integrate people more tightly into the formal economy as an end in itself, interventions should be aimed at making sure that some of the existing disadvantages and power imbalances are addressed, ameliorated or removed.

1.3.2 The marginal and fragile nature of self-employment

The report also raises some important questions around the nature of self-employment in South Africa. It argues that self-employment (and in the rural areas, agriculture) is highly prevalent and plays a crucial in ameliorating poverty and contributing to food security - but these activities are also strikingly fragile and marginal.

Here, the report suggests that much mainstream policy thinking about ‘small and micro’ enterprises, does not really confront the real difficulties faced by those engaged in truly ‘survivalist’ self employment. Much writing on the informal or ‘SMME’ sector plays some lip service to the recognition that most ‘micro’ enterprises in South Africa are survivalist in nature - but then persist in trying to analyse these activities, and prescribe solutions, as if their potential depends on them being able to grow into classical economic ‘enterprises’ that have a business identity separate from the domestic economy of the people who are involved in them. The report suggests that this is not a useful frame for understanding self-employed activity. In the first place, these activities are not businesses ‘in embryo,’ needing only the right mix of entrepreneurship and enabling conditions to take off into growth and employment creation: rather, they are strategies whereby poor people seek to ‘reproduce resources’ and leverage more advantage of the resources they have, within the context of their broader ‘domestic economy’. They cannot easily be divorced or disconnected from the complex intra- and inter-household relations within that they are pursued. Secondly, the most important limitations and constraints faced by the self employed people interviewed in this project do not lie in a lack of training or entrepreneurship, nor did the research project find much evidence of a big pent-up and unmet demand for microfinance. Rather, a key issue appears to be simply *the limited scope for viable businesses* in the spatial poverty traps created by rural underdevelopment and the spatial legacy of Apartheid. These keep poor people stuck in markets where money is scarce, so that a key issue they face is not so much *getting* credit as *giving* it in an environment where one’s ability to call in bad debts depends on one’s social relations. In addition, the presence of expansive and powerful retail chains further reduces the space in which poor people can compete economically.

These considerations suggest that self-employment and ‘subsistence agriculture’ play a *vital but essentially supplementary* role in the livelihood strategies of people on the margins of the formal economy. On the one hand they often make an important difference to mere survival, and are sometimes crucial to people’s ability to put any food on the table at all. But informal economic activities and

self employment often depend on access to *other* resources such as wages – or cash income from a social grant. Thirdly, this suggests that self-employment on its own is an unlikely pathway out of poverty. *Not one* of the better-off or less poor individuals or households that participated in this study had gotten to their relatively better-off position *without* reliance on the wages garnered from steady employment. Those who were deeply marginalised *vis a vis* the ‘formal economy’ – those who could not call on the resources secured through steady employment or grant receipt on the part of a household member – were at great disadvantage in their self-employed economic activities as well. These findings emphasise again the central place that job creation and formal employment plays in the prospects for real poverty reduction in South Africa.

1.3.3 Private social protection: how people survive

The report describes in some detail the strategies and strategic arrangements that participants in the study devised to deal with the challenges imposed by existence at the margins of the formal economy. It argues that if we are to understand how people use social grants and cash transfers, it is vital to first understand the ‘coping behaviours’, plans and strategic arrangements of poor people, and of which the use of social grants is but one component. These included the development of complex co-operative arrangements within and between households to bundle together and leverage a wide spread of different livelihood activities; the development of sophisticated and careful strategies for ‘lay accounting’ and financial management; and above all a heavy emphasis on investing in education and seeking formal employment. In particular, the report deals in detail with what may be called ‘private social protection’ - the specific strategies informants had devised to reduce vulnerability and to cope with shocks and uncertainty.

Here, careful attention needs to be paid to household composition and structure. Like many other studies, the report highlights the fluidity and porosity of the households that participated in the study. As a number of scholars have pointed out, this means the assumptions about ‘households’ that one finds in mainstream development economics seem to be inappropriate. Households are not clearly bounded and stable entities: instead, their membership changes from time to time and their boundaries are unclear. Non-residents can be household members and can contribute significantly (and make significant claims) on households resources.

This is partly due to the history of migrancy in South Africa. Recent research has highlighted the persistence of labour migrancy in South Africa, and the report argues that dense and complicated rural-urban networks continue to exist, with some urban households continuing to remit and save heavily back into their rural homestead and even urbanised individuals relying heavily on rural networks. These links connect even thoroughly urbanised individuals to the rural areas, and similarly create important urban connections even for those who have never left the rural areas. A key role here is played by *gendered care chains*, networks constructed around care work and household work, whereby female kin play a central role in making up for the ‘care deficit’ experienced by urban households. The report argues that culturally shaped practices of reciprocal exchange help create complex and spatially extensive urban-rural networks, and that these networks play a central role in allocating, distributing and redistributing resources, opportunities, risks and burdens. Together, these networks and practices may even be seen to create a patchy but extensive system of ‘distal social welfare’ whereby wages *and*

money from cash transfers reach (and reduce poverty and vulnerability) even for many not linked to the formal economy or not in receipt of grants.

1.3.4 The limits of ‘private’ social protection: the dark side of ‘social capital’

The report however argues that, as important as this system of ‘distal social welfare’ or ‘private social protection’ is, it has fundamental limits. In the first place, it is limited by the scarcity of the resources that it tries to distribute. This has important consequences. The ability to rely on kin connections to ameliorate vulnerability and poverty makes a crucial difference - but it also imposes significant burdens on others *who themselves are often also vulnerable and/or poor*: the networks and reciprocal practices described in the report can act as cushions for some *precisely because* they also act to *transmit* shocks to (and share burdens) *with others*. This is a particularly serious issue given the grim and worsening macro-context: declining employment for unskilled and resource-poor people is imposing huge burdens on this network, and the growing crisis of HIV&AIDS and its accompanying ‘care deficit’ increases this burden even further.

Secondly, these networks and practices work in very uneven ways. Not everyone benefits from them in the same way. Here, the report cautions against overly simplistic and over-optimistic assumptions about the role of ‘social capital’. It argues that the term ‘social capital’ is often used in vague and unhelpful ways. Like the concept of the ‘second economy’ it is useful because it helps direct attention to an important social reality - but carelessly used it can often lead to fuzzy or simplistic analysis. Analysis of ‘social capital’ needs to pay careful attention to the *practices* of reciprocal exchange that it is part of; the underlying *material* resources upon which these practices draw; the social *relationships* that shape these practices, and the systems of *social meaning* and the gendered ideologies that inform these relationships.

Such an analysis shows that ‘social capital’ does not benefit everyone in the same way. Some of the forms of exchange it relies on or enables are thoroughly unequal, and there are net winners and losers. Practices of reciprocal exchange inevitably have a ‘dark underbelly’ of coercion, conflict, gossip, violence and accusations of witchcraft. *Even positive social capital thus has its dark side* - and this has important consequences for social protection. Those who are not empowered within patriarchal ideology – particularly unemployed youth, single female household heads and women who do not toe the traditional gender lines – are more likely to be marginalized, ostracized, exploited or punished.

1.3.5 Using social grants

Within this context, the report describes the complex ways in which people made use of social grants. Although the research method means that the report cannot report in great detail on exactly how grant monies are allocated (a difficult task anyway, given the fungibility of income), the report casts general light on how grant-receiving households spent their money, and on the ways in which people made decisions about grant income. It also collected information about cases in which grants were received, not only within the households that participated in the study, but also by those (sometimes distant) households to which they were connected.

Findings offer support to other studies that have argued that social grants – particularly pensions and disability grants – play a crucial role in enabling survival, not only for direct recipients, but also for other household members and sometimes even for distant connections. Furthermore, it shows the wide range to which grant moneys could be put: in addition to improving food security, social grants were used as ‘seed money’ for businesses or as a subsidy to keep self-employed activities going; to support informal agricultural activity; to invest in acquiring or improving housing stock or property; and to invest in the education of household members.

The report places particular emphasis on understanding how grant income figures in the broader systems of reciprocal exchange upon which people rely. It recounts some case studies that show how grant income shared with a household member or kinsperson at one time forms the basis of an obligation that can be repaid or re-invested later. Social grants are important partly because they allow individuals to respond flexibly to situations as they change *over time*, and allow the accumulation of credit and the settlement of debts over long time spans. The report argues that *this should reduce concerns over whether cash transfers crowd out private remittances*: this is a problem only if households are considered in isolation and crowding-out is a zero sum game. Though there may be cases of crowding-out an understanding of how this is part of the dynamics of practices of reciprocal exchange allows us to see how this re-allocation of resources works within the broader networks on which people rely. In addition, receipt of social grants empowers those who would otherwise be marginalised in their social network, allowing them to ‘transact’ and accumulate ‘social capital’ on their own behalf.

1.3.6 Some key policy considerations

The current research does not allow the authors to make concrete policy recommendations: formulating policy is a consultative and reflective process well beyond the ambit of this report. At the same time, the research produced a wide range of policy-relevant insights, questions and *caveats*. Key among these is the following:

The integration of social and economic policy

(1) *There is a need for a closer integration between policy on economic growth more generally, and that on poverty.* The research suggests that the persistence of poverty is not due to the ‘persistence’ of an undeveloped economy disconnected to the ‘first world’ economy, but due to the nature of the ‘First World economy’ itself and the fact that poor people are linked to this economy on disadvantageous terms. This suggests *inter alia* that it is necessary to go beyond an approach where economic growth is the responsibility of one set of departments, and an entirely different cluster focuses on pro-poor policy. Such a ‘Chinese wall’ between economic and social policies is likely to create a situation where policies on economic growth and on poverty reduction are not in synergy. The report highlights a number of areas where there appears to be a discontinuity between economic and poverty-related policies. These need to be addressed in a more integrated manner.

(2) Probably the most significant (if unsurprising) policy consideration arising from this is the notion that *an effective pro-poor policy in South Africa needs a pro-poor job creation policy at its centre.* The poor cannot only be the responsibility of the ‘social cluster’. Although the report argues extensively that cash transfers and

informal economic activity play a vital role in enabling survival for many poor people, it should be remembered that they seem only to play a supplementary role; and cannot reduce poverty on their own. Employment creation in the mainstream economy must be the central platform of any sustainable poverty eradication policy in South Africa.

(3) Linked to this is the argument that *policy talk about 'eliminating the second economy' is of limited utility in addressing the problems faced by those at the margins of the formal economy.* The policy measures, for example, contemplated in some of the ASGISA documents (RSA 2006) do not appear to take into account the real nature of the disadvantages suffered by those at the margins of the formal economy. Rather than 'eliminating the second economy', steps need to be taken to ameliorate disadvantages poor people face in the broader economy.

(4) Another key point to bear in mind in the design of 'integrated' pro poor policy is that *the social wage plays an important role in reducing the disadvantages placed by poor people - but poor people should not pay unnecessarily for 'social wage' goods.* One important way in which government can reduce the unnecessary disadvantages faced by poor people is by reducing the extent of 'adverse monetization' - policies that require poor people to spend their small monetary resources on essential services. Free basic water and electricity make a vital contribution; but these gains are limited by the fact that there is still significant cost recovery in other sectors. Research uncovered some evidence that many schools in the areas studied still require even very poor students to pay school fees. This is a particularly important issue for Government's cash transfer programme, in that such practices in effect mean that the Department of Social Development is subsidizing the Department of Education, with little real benefit for intended targets of the grant.

(5) *Another key area where there needs to be better integration with pro-poor policy is in the broad area of housing policy and spatial development strategies.* Poor people are disproportionately disadvantaged by being housed at great distances from business centres - particularly where public transport is expensive and dangerous. Enabling poor people to live closer to centres of business and making transport more accessible would play a huge enabling role for self-employed poor people. The policies and practices that continue to perpetuate the spatial legacies of Apartheid need to be actively transformed.

(6) *There is not as yet an effective policy framework for supporting and enabling self-employment as it exists.* Here it needs to be recognised that SMME policy has for the most part not yet taken aboard either the *importance* of survivalist 'sub-micro' economic activities or the *nature of the constraints* they face. Policies to support survivalist economic activities are needed - but these should not ask self employed people to become 'entrepreneurs' - rather, it should be recognised that supplementary economic activities aimed at leveraging, supplementing and maximising the returns from other resources are of vital importance.

(7) *A key and complex set of policy questions relate to the factors that crowd out and undermine the viability of self-employed activity.* The report suggests that 'big retail' is playing a key role in crowding-out small scale self employment. Clearly this is a complex issue and there are no simple solutions; but paths are needed toward better synergies between big business and micro or sub-micro retail.

Vulnerability and cash transfers

A second, more focussed set of policy considerations relate to social grants.

(8) *The research re-affirms the central role of cash transfers in mitigating vulnerability.* Cash transfers played a key role in ensuring food security and contributing towards survival for many people, including many who are not the direct recipients of grants. For many households with no employed members, pensions and disability grants are the only thing that stands between members and complete impoverishment and hunger. *The unequal distribution of care work in society, and gender roles that make care work and household reproductive tasks the automatic responsibility of women, massively increases the vulnerability and poverty of women and children and is not sustainable in the long term.* Women's care work constitutes a massive economic investment in society, and that economic investment is usually unpaid. Research showed the huge costs imposed on women and children by the failure of many men to care for their children; but the broader assumption that women will, and should do unpaid care work, is also reflected in social policy more broadly. Given the huge 'care deficit' imposed on society by HIV/AIDS as well as other diseases like TB, this is probably not sustainable.

The research offered support to the idea that social grants, besides simply allowing survival, also play an important socially and economically empowering role. Cash grants allowed people to invest in their build environment, in their productive capacity, in the education of children and other household members, and allowed otherwise marginalised people such as the elderly and women, to accumulate 'social capital' on their own account. *These benefits need to be recognised as core contributions of the social grant system and should be valued and protected in policymaking and implementation.*

(9) *The unequal distribution of care work, and unequal gender power relations in society, mitigate against the imposition of conditionalities e.g. school attendance by grant receiving children.* The report highlights the social marginality and the lack of 'social capital' on the part of those who are disadvantaged by gender relations and conservative social norms - such as single female household heads. Where children are truant, this seems to be part of a more general breakdown of household coherence, not a decision against child education on the part of the household head: stopping a child grant will in all likelihood do nothing to improve matters and may simply further disempower already vulnerable households.

(10) *The utility and effectiveness of cash transfers requires careful attention to the conditions on the ground for effective grant use.* Creating enabling conditions for effective grant use is one of the most important ways in which government can increase the impact of social spending. This relates in the first place to the point made on page 9 above about cost recovery and cross-subsidization between departments. If cash transfers are used to pay for essential social services, their social utility for the recipients and those linked to them is limited. Secondly, the report recounts case studies that highlight the vital value added by additional social services - like effective support by social workers - in allowing effective grant use. Thirdly, this point also relates to the general argument about the need for better integration between social and economic policy: *policies and practices that increase vulnerability and volatility (for example the shift to more casualised and more impermanent work) undermine the ability for effective grant use by increasing the insecurity, strain and unpredictability of the conditions under which*

grant recipient households have to survive and undermine the ability of grant recipients to form coherent and co-operative households.

One key factor that undermines the effectiveness of social grants is the way in which administrative discretion and official inefficiencies impose costs on poor people. The report suggests that the ‘poorest of the poor’ - those who are most dependent on cash transfers to reduce their vulnerability - are also least well positioned to absorb the transaction costs and opportunity costs of applying for grants and proving eligibility. It highlights cases where people who are eligible for grants were not taking them up - not because they did not want or need those grants, but because of malfunctioning instruments of delivery. Careful systems design and training needs to be aimed at ensuring the user-friendliness of these services and reducing their propensity to impose additional costs on poor people. This, of course, is another factor that mitigates against the imposition of further conditionalities upon existing grants. Additional conditionality simply increases the ‘administrative intensiveness’ of the grant system and adds to the costs of applying and proving eligibility. Where government itself does not function efficiently, such additional conditionality can easily result in poor people being sent from pillar to post - something that would impact disproportionately on the poorest and most marginalised.

(11) *Delivery systems also need to take into account the mobility of grant recipients.* Design aspects of some important cash transfer instruments (especially the pension) seem to assume sedentary and immobile recipients who permanently reside in one province. The reality however is that migrant social networks require many people – including the elderly and disabled – to be mobile and to travel between provinces. The fact that a pension is paid out only in a specific province is another factor that imposes unnecessary transaction and opportunity costs on grant recipients, and hampers their survival and coping strategies.

(12) *The empowering effect of social grants transfers appears to be linked to the fact that they are paid over as money.* Research highlighted the importance of the fungibility of grant income - the fact that it could become part of an income stream that could be deployed in a variety of different ways. This should raise questions about proposals that grants should be paid over in a non-cash form, e.g. as vouchers. The research findings offer no evidence to support the notion that inappropriate spending (e.g. on alcohol and tobacco) is a major problem. Given the cash-hungry nature of poor households, making grants available at vouchers is likely only to produce a situation in which vouchers are exchanged for cash, perhaps even at a discounted price. This would significantly reduce the effectiveness of social spending.

(13) The research confirms the importance for Government to continue the development of a *comprehensive* social security system, both to address the situation of those falling outside the present system and to remove perverse incentives and distortions - for example to use disability grants in the place of a basic income grant. In addition, the report stresses that current ‘coping mechanisms’ are under severe stress and can probably not cope indefinitely with the severe strains imposed upon them by high levels of unemployment and the HIV/AIDS crisis.

(14) Finally, although this report highlights the sophistication and the complexity of existing ‘coping strategies’ and strategic arrangements, and stresses the contribution they make in warding off destitution and ameliorating the effects of

poverty for those at the margins of the formal economy, this should not be taken as evidence that existing measures are adequate. The systems and arrangements described in this report are not at equilibrium. Rather, they are under severe stress, and they rely on key resources (faltering ‘subsistence’ agriculture, accumulated savings from a time of fuller employment, and a huge investment of unpaid care work often by marginalised and elderly women) which cannot be indefinitely sustained.

1.4 Structure of the report

We begin with a short theoretical and methodological chapter that outlines our overall approach to understanding poverty and vulnerability, specifies the empirical questions we tried to answer, and sketches the methodological approach taken. Section Three provides a brief historical background and a profile of what quantitative research reveals about poverty in the two target areas studied. This sets the scene for an initial overview of emergent patterns and themes emanating from the fieldwork, including a provisional typology of cases. Section Five, Contextualising Vulnerability, sets these patterns in a structural context. In particular it looks at what the research data suggests about the nature of the relationship between formal and informal activity, and what this means for current ways of talking about the ‘first’ and ‘second’ economy. It also highlights the consequences of these structural conditions for poor people’s vulnerability. Section Six, ‘Vulnerability, agency and “social capital”’ focuses in more detail on what the data reveals about the strategies and arrangements informants made to cope with poverty and reduce vulnerability. Section Seven looks in some detail at the roles played by grants within these coping strategies. The final, Eighth section, considers some of the key policy issues arising out of the research.

2 RESEARCH APPROACH

2.1 Introduction

The previous section highlighted a core *policy* question: how can we ensure that social spending in general and grants in particular support pathways out of poverty? This is a complex issue, the response to which depends on a long list of further empirical *and* conceptual questions. A key task for the research team was to develop, on the basis of this policy question, a clear core research question (CRQ) from which, in turn, a series of more tightly defined and researchable list of *research* questions - the questions that need to be answered in order to allow the CRQ to be answered - could be derived. Methodological design in was informed by the need to ensure that field questions and approaches would elicit the kind of data required to answer the detailed research questions (see Figure 2).

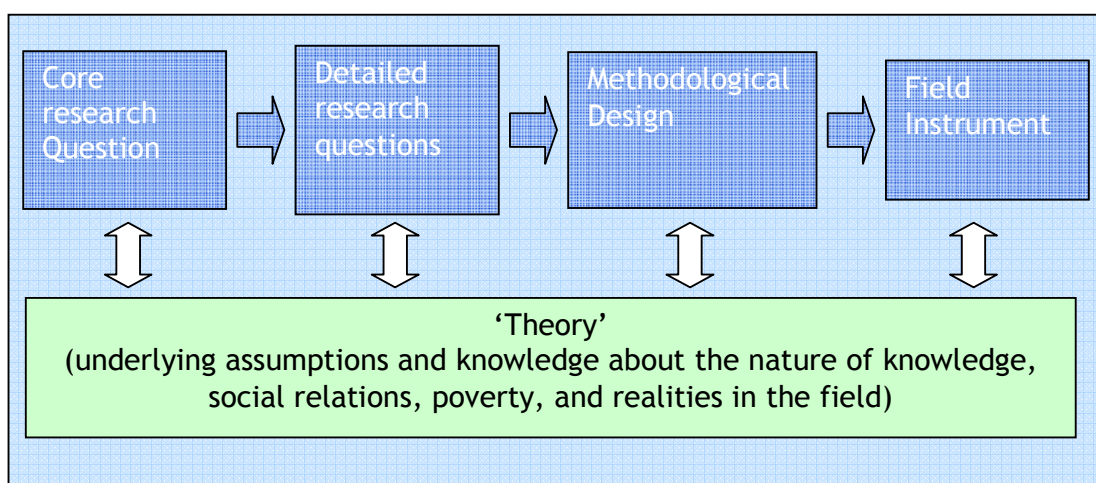


Figure 2: a simplified and schematic sketch of the relationship between the underlying research question and the field instruments to be used

This is a very schematic and oversimplified picture of a process that is in reality much less linear. In particular it should be stressed that none of the steps in the derivation is theory free. At each stage, decisions about the question to ask, decisions about the lower level empirical and conceptual questions they implied, judgements about the kind of data needed to answer those questions, and the field strategies required to elicit that data are informed by underlying theoretical frameworks and assumptions. Although these issues can become very abstracted and academic, it is important for the purposes of this report to make some of the underlying assumptions and frameworks of analysis explicit.

2.2 Understanding poverty and vulnerability

2.2.1 Qual-quant integration in poverty studies

Policy-oriented research on poverty in South Africa has been largely dominated by heavily economic, econometric and quantitative approaches. In recent years, there has been increasing recognition of the need for a q-squared, (or ‘qual-quant integrated’) approach that combines the insights of quantitative approaches to poverty with those from qualitative research (e.g. Carvalho & White 1997, Kanbur 2002; Appleton & Booth 2005). A wide range of possible approaches exist, ranging from fairly traditional strategies in which qualitative and quantitative research is done relatively independently, and the findings of one approach are used to test, validate or ‘triangulate’ the other (Thorbecke 2003) to much more integrated approaches in which qualitative and quantitative approaches are carefully sequenced and linked (Howe and McKay 2004). The present study falls somewhere in the middle of this range. On the one hand, merely qualitative research is not simply seen as an add-on, generating descriptive depth to an account of poverty the informational content of which is (as Thorbecke for instance imagines) essentially quantitative. In this study we hold that insights arising from qualitative data are often valid in their own right, and may shape the way in which quantitative data is analysed and interpreted. At the same time the quantitative and qualitative components of the study were essentially separate operationally, and were each conceptualised and designed in their own terms. (At times this has led to shortcomings in the study, particularly at the moments in which it is necessary to account for discrepancies between what quantitative and qualitative work tells us: we will note these moments in the pages below.) In addition, no complex statistical analyses were run: where quantitative data is used, it is for the most part used quite descriptively, in order to illustrate general tendencies and distributions. In this section we will focus briefly on sketching the theoretical and philosophical basis of the *qualitative* research design, and show how these have led us to ask the questions we did.

2.2.2 Poverty

This report is concerned with poverty in its broadest sociological sense. There is a wide and complex literature about poverty definitions and poverty measurement (see e.g. Ravallion 1996; Atkinson 2003; Noble Ratcliffe & Wright 2004). We will not go into these debates in depth at all, except to point out that we take a very different approach from researchers who equate poverty simply with having an income below a (inevitably relatively arbitrarily defined) poverty line. Although monetary and other factors can be useful indicators of poverty, one should not confuse the indicator with what it indicates. Poverty is in this report seen as a *complex, multidimensional state of material lack and ill-being* of such a nature that it *undermines basic social and economic agency* - preventing the person(s) in question from being able to live even a minimally human life (see e.g. Sen 1999, Nussbaum 1999 for some of the theoretical underpinnings of this approach).

This has consequences for analysis, and results in a much less cut-and-dried approach to the study of poverty than the angle usually taken by econometric approaches to poverty. In this report, we do not try, for example, to divide the households we studied neatly into a ‘poor’ and a ‘non poor’ group. This is partly because of the multidimensional nature of poverty, which means that people who

are poor in cash may (in principle, at least) not be poor in terms of access to other resources - and trying to aggregate multiple indices of deprivation into a single measure is a risky and messy business (Qizilbash 2002; Atkinson 2003). Furthermore, our analysis is in the first place not aimed at categorising a person in terms of whether they are above or below a certain deprivation line but at better understanding the complex *strategic* situation in which they find themselves in their struggle for survival - a strategic situation defined in part by the *interplay* between different kinds of lack or endowment. Endowment with a particular resource is not the same as the ability to use it to generate a livelihood. Much of that depends on other enabling contextual and relational matters. What matters, therefore, is not simply whether a person lacks, for instance, sufficient access to water or land or some other resource - but the extent to which that lack, in the broader strategic and structural context in which that person exists, impacts upon their ability to achieve the 'functionings', as Sen (1999) would put it, of a minimally human life. Poverty is not simply a question of the extent to which a person is below a certain endowment threshold; rather it is a question of *power* and *enablement*: a question of access to the resources that constitute the necessary conditions for personal agency in the social world. And understanding this requires a careful analysis, not only of their income, their accumulated assets and so on, but also of the complex *social power relationships* within which they exist and which they have to take into account.

2.2.3 Vulnerability

Poverty, in this approach, overlaps with but is distinct from the concept of *vulnerability*. Here, it is important to move cautiously and to be careful and clear in the way we use words. Like so many other terms in the literature on poverty studies, the term vulnerability is often used in very divergent ways. In fact, there is not one clear, unitary and paradigmatic interpretation of the concept; rather there are a number of rival approaches - and once again, economists and social scientists are prone to use the term in very different ways (see Alwang *et al* 2001). Economists and quantitative sociologists tend to talk about vulnerability as exposure to risk, and even as the simple likelihood that a particular individual or household might fall into poverty. Much of the literature on food security and vulnerability has however drawn on a very different approach to vulnerability - that contained in the literature on hazards and epidemiology. This literature is itself very complex and diverse (for an in-depth discussion see du Toit and Ziervogel 2004). But two aspects of this literature are particularly important.

1. One is that the literature makes a careful distinction between *risk* (the chances of a hazard or event occurring), *sensitivity* (the likely response to or impact of the hazard) and *resilience* (the ease and speed of recovery from the hazard). *Vulnerability is not the same as the risk of being exposed to a hazard*; rather, it is present when a system is highly sensitive (when an event is likely to have serious impact) and when recovery is likely to be neither easy nor speedy.
2. Secondly, as should be evident from the previous paragraph, vulnerability is here defined within a *systems* approach. This is an absolutely crucial point: *vulnerability and resilience are seen as properties of systems*. In some sense of course the entire social system is relevant here; but understanding vulnerability requires, in particular, a detailed exploration on the specific *sub* systems, networks, contexts and sets of relationships upon which people's livelihoods depend. It may also be worth noting that in this

literature, there is a much stronger emphasis on the complexity of systems: in ecological literature on vulnerability, resilience is seen as being due to *redundancy* in the system, or the presence of large numbers of mutually supporting feedback loops (for a more detailed discussion, see du Toit and Ziervogel 2004). This is in strong contrast to economic approaches which usually focus not on complexity but on a *reductionist*, simplifying analysis.

In this report, we take a ‘soft systems’ or *relational* approach to vulnerability. An assessment of vulnerability is a *judgement* about *the likely response of a system or systems to a particular hazard or event*. People are judged to be vulnerable if they can be shown to be ‘living on the edge’ (Ellis 2003): at a ‘tipping point’ at which an otherwise minor event or hazard can cause a severe reduction in their welfare (in other words if the system is *sensitive*) and if recovery is likely to be slow and difficult (if the system is not *resilient*). And, as in the ecological literature, livelihood strategies are seen as depending on intrinsically complex systems, with a multitude of interactions and feedback loops that elude reductionist modelling. These systems are however not seen as closed; social systems are nested (within each other), they are open, and interact with other systems in complex ways. In this report we will not talk about ‘the social system’ as if it can be completely and totally described; rather, we focus on particular concrete networks and sets of dynamic relationships.

Using an approach to vulnerability that draws on the insights of the literature on hazards and ecological vulnerability brings some important advances, partly because it promises a much more nuanced approach to understanding vulnerability than the econometric literature, which sees vulnerability as an attribute of individuals; which distinguishes rather more poorly between *vulnerability* and *risk*; and which has very limited capacity to come to grips with vulnerability as the *dynamic property of open, nested, chaotic systems*. Rather than look in isolation at a particular individual or even a household, it is important to look at the broader sets of social relationships within which they operate, and on which they depend.

2.3 Research challenges

2.3.1 Understanding Social relationships

If understanding poverty and vulnerability requires an understanding of people’s social networks and the power relationships within which they are caught, this has important consequences for research. Firstly, it requires that we look further than the extent to which a household is endowed with a particular resource, to the larger social relationships within which this endowment is used in particular livelihood strategies. Access to land, for instance does not always mean the same thing: the extent to which land can be used depends on a whole host of other factors including the nature of the local economic context, access to markets, the nature of the social relations of labour, local commodity chain structures and so on.

Additionally, social relationships cannot be captured purely through quantitative research, because social relations and power relations are *meaningful* realities - they cannot be grasped separately from the intersubjective frameworks of meaning within which they exist; and understanding them requires an exploration of the *meaning-giving activities* - the underlying cultural and discursive practices - that shape them. Numerical distributions and patterns can still teach us a lot, but if our

aim is coming to grips with the ways in which poor individuals and groups on the ground make decisions, we need to engage with how they experience and understand their actions intentions and relationships, and the underlying meaning-giving cultural and discursive frameworks that shape these actions and perceptions.

This gives poses particular challenges for qualitative and work and for the enterprise of qual-quant integration. In particular, it means that it is not enough simply to do standard econometric or quantitative analysis, supplemented with some local colour from a PRA or focus group. Rather, the analysis of *both* quantitative and qualitative data has to happen in an integrated way, within a coherent theoretical framework. One of the most important strengths of a relational approach to understanding poverty is that it allows one to go beyond a methodologically individualistic approach that simply tries to understand the attributes of individuals or households, and challenges us to situate individual choices and actions in individual, household, community, regional and supra-regional context.

2.3.2 Research questions

The policy question on page 13 ('how can we ensure that social spending in general and grants in particular, support pathways out of poverty?') requires answering and solving a wide range of political, technical, empirical and conceptual questions. Many of them lie outside the purview of this study. In particular, this study cannot definitively seek to on its own establish, for example, what strategies poor people actually should adopt to get out of poverty. In our analysis of the data we can develop some strong interpretations of these questions, particularly by situating research findings in a strong analysis of the social context. For the purposes of developing a field approach, however, a narrower definition of the research question seems appropriate:

Core Research Question

What is the impact of the provision of social grants on the strategies whereby people make a living and seek to escape poverty?

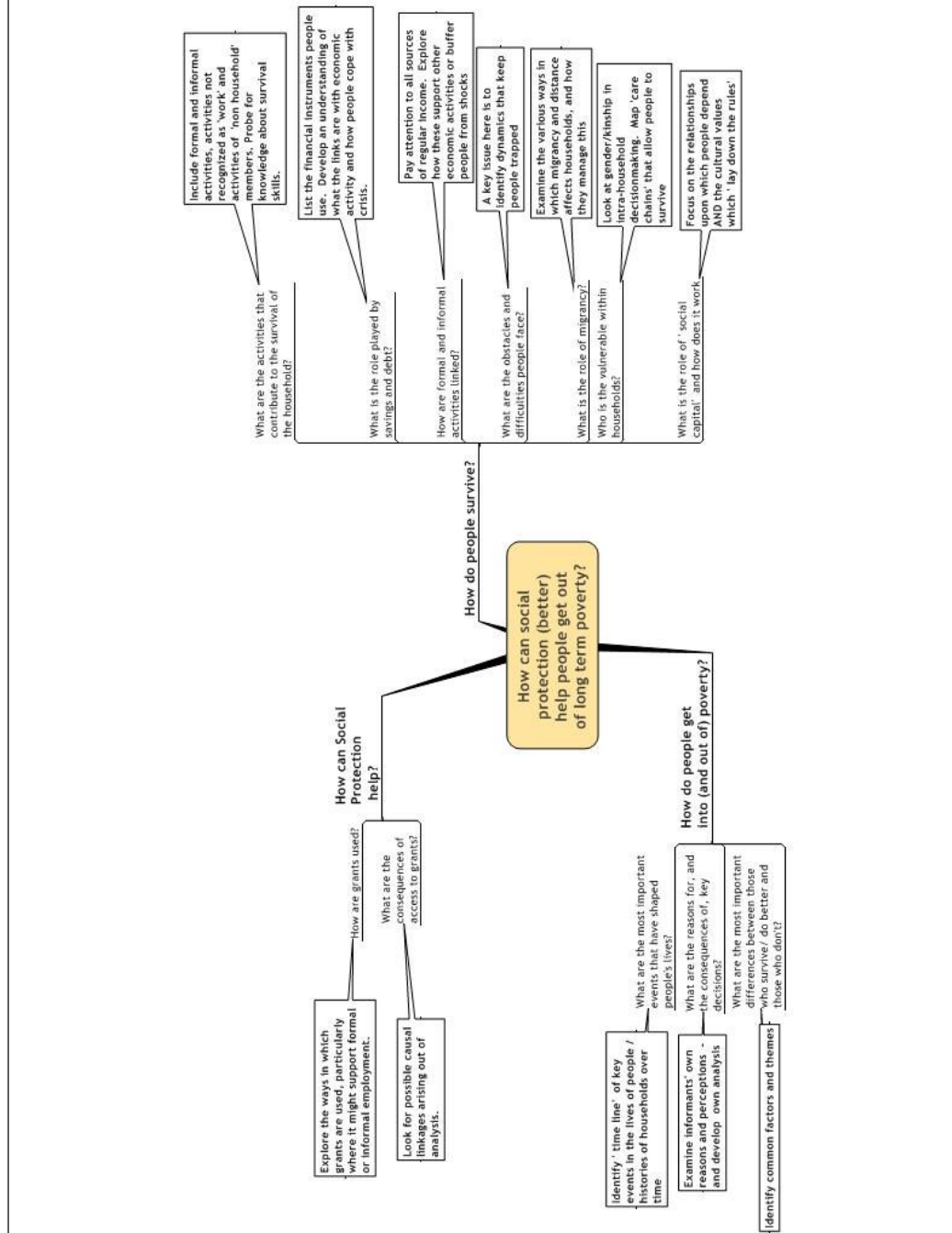
This core research question, in turn, can be broken down into three subsidiary questions:

- 1) *What do people on the margins of the formal economy in order to survive?* This requires us to look in detail at actual livelihood activities - and at the ancillary and supportive activities that enable them.
- 2) *How do people get into (and out of) poverty?* This requires more than a simple empirical investigation. Rather, it requires us to look at *poverty* careers and pathways, and to try to identify within them the triggers, 'maintainers' and 'drivers' that seem to have played a direct or indirect causal role in their descent into (or ascent out of) poverty
- 3) *How do people use social grants, and what role do they play in the decisions that people make about strategies and activities that affect their prospects of getting into / out of poverty?* This requires a look at the particular ways in which grants are used, the consequences for the

livelihood activities and strategies mentions in question 1, and an attempt to identify the extent to which they enable (or undermine) that enable households to get out of poverty in the longer run

These three themes are interlinked, and the detailed research questions derived from them often overlap. Furthermore not all of these would be empirical questions: some of them would be questions about patterns in / interpretations of empirical data. Nonetheless, it is possible to specify in some detail the key kinds of empirical information that would be necessary to answer these questions (see Figure 2 below).

Figure 3: an overview of key research questions and the empirical data required to answer them



2.3.3 Challenges and trade offs

This agenda poses a range of research challenges. In the first place, many economic activities are of such a nature that they easily pass ‘under the radar’ of survey research. Sometimes informants themselves don’t see their activities as economically significant: people may be economically active, and may indeed be earning significant amounts of money from an activity, and still deny that they have employment (see, for example, Adato Lund & Mhlongo 2004). Often, informants may also wish to *hide* their activities – and not just because they are illegal: in resource poor environments, being circumspect about one’s resources may be an essential way of ensuring that neighbours and family do not make claim on them. One key challenge is therefore that research should allow such activities to be revealed and recognised.

Secondly, the overarching questions we have posed here require us to understand *linkages* and *relationships*: the causal linkages that for example may bring about descent into poverty, the linkages *between* different kinds of activities, and the nature of the social relationships between people. Often, research requires probing into painful histories, or exploring difficult conflicts within or between households. The design of qualitative research tools would have to take all these challenges into account, for example using strategies that allow the building of rapport (e.g. planning for multiple visits that allow for the development of a relationship).

A further decision in the research design was balancing, on the one hand, the power of qualitative research to surface huge amount of detailed and nuanced accurate information about the complexities of a particular situation with, on the other, the need to know how much of what was learned about particular households could be extrapolated more widely. This is important in the selection of households for qualitative study. The danger that idiosyncratic aspects of individuals or households skews the analysis can be somewhat counter-acted by ensuring that a wide range of households and individuals are chosen; though the collection of case studies do not need to constitute a statistically representative sample, it does help to ensure that they span the range of typical variation. One problem is that given limited time and resources there is a trade-off between depth and representivity: selecting a large number of case studies allows one to get a clearer sense of the nature and range of variation between case studies, but this reduces the time and opportunity of investing dynamics and complexities in great depth. Reducing the number of samples allows a closer and more detailed investigation, and what the anthropologist Clifford Geertz called a ‘thick description’ of these complexities (cf. Geertz 1973) – but focussing on a small number of case studies increases the danger of analysis being skewed by the idiosyncrasies of the households or individuals that were selected.

In the present study, some help was provided through the existence of a baseline study from which the households targeted for in-depth analysis could be drawn. The trade-offs between depth and reliability were dealt with through a ‘pyramidal design’ comprising a four-phase research strategy that progressively narrowed down from an initial broad ranging quantitative survey through successive, more focussed phases:

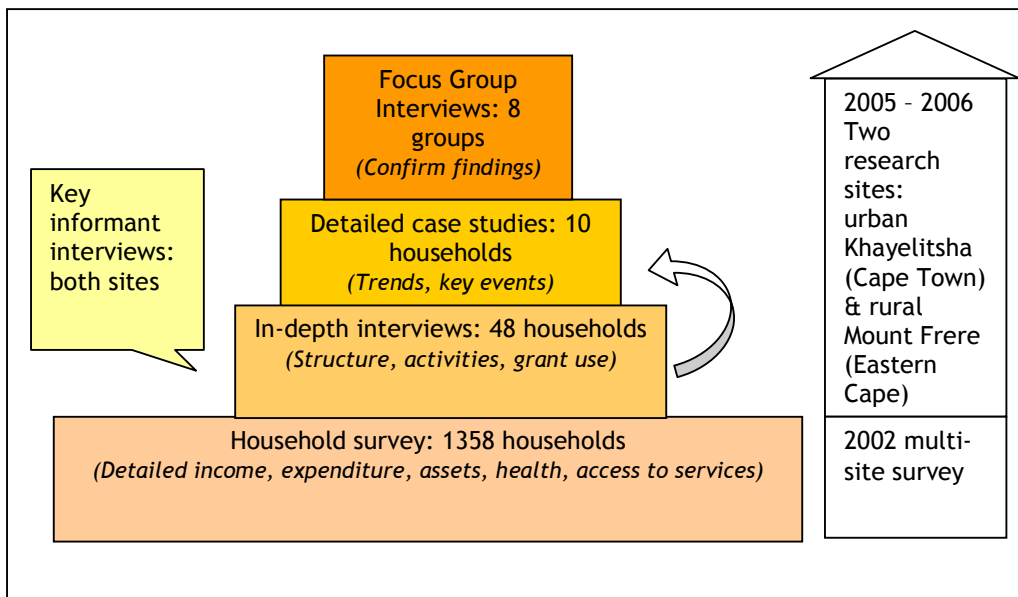


Figure 4: Phases of the research design

The first phase of the research process was constituted by a 2002 in-depth household livelihoods survey conducted by PLAAS as part of its partnership in the CPRC in 2002. This provided a detailed quantitative profile of about 1358 households in three impoverished South African contexts.

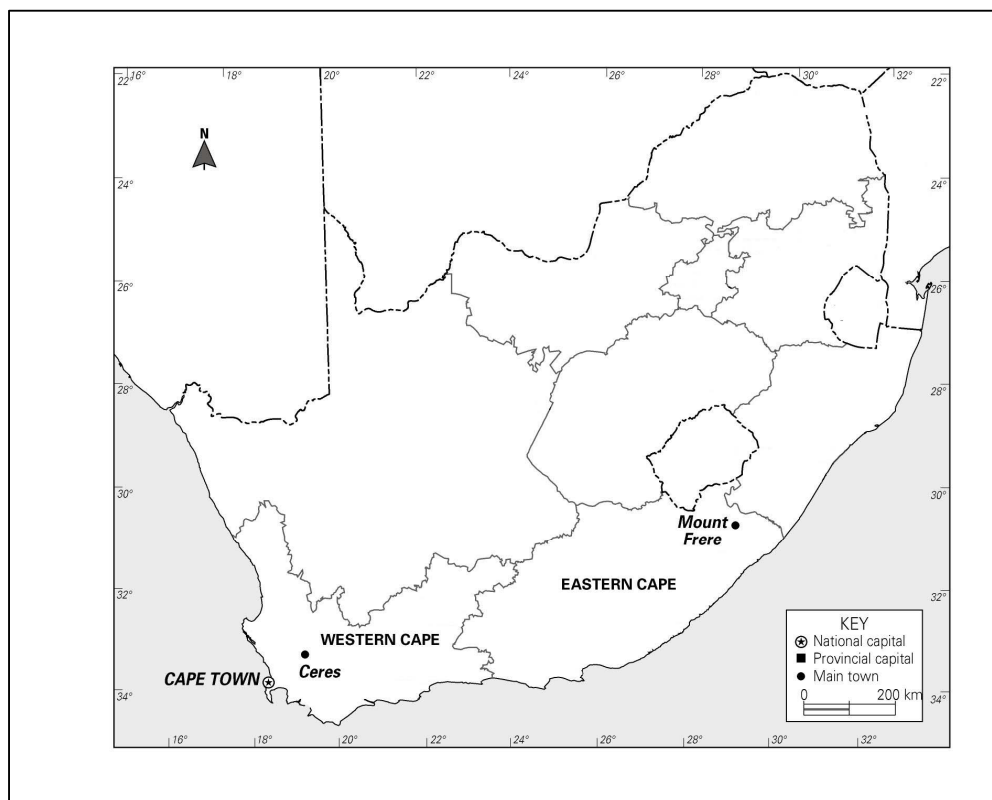


Figure 1: Research sites for the 2002 survey

The present research project built on this research process by selecting from the sample 48 households in two target areas for in-depth semi-structured interviews. From this sub-sample, 10 households were chosen for in-depth and detailed

investigation. Emergent themes were checked through a small number of focus group discussions.

2.4 The 2002 CPRC household survey

The 2002 CPRC household survey forms the baseline and background for the present study. This survey was originally conceptualised as the first wave of a small local area panel study, looking at aspects of poverty, well-being and livelihood activities in three sites. In the Eastern Cape the survey visited 733 households in selected villages in the remote area of Mount Frere, situated in the north-east of the former Transkei (the boundaries of the survey were initially defined in terms of the Mount Frere health district as it was in 1998; today these households fall in two municipalities; that of Thabankulu and Umzimbomvu: the villages visited included Luyengweni, Lancele, Lukangeni, Mkhemane, Mpoza, Mntwana, Tshungwana, Manqamzeni, Ndyobe, Lahlangubo, Mnxe and Maqwathini). The survey also 540 households situated in farm worker settlements in the rural farming town of Ceres, in the heart of the deciduous fruit export industry - here, households were in the 'coloured' townships of Op die Berg and Bella Vista and in the African township of Nduli and the Mooiblom informal settlement. Finally, the survey included and 625 African households in and around the townships of Khayelitsha, Nyanga East, Brown's farm and informal settlements near Kraaifontein in metropolitan Cape Town (De Swardt *et al* 2005). The survey focused on traditional poverty measures such as income and expenditure but also included a detailed look at endowments of human capital, household durables, access to services and public goods, experience of shocks, reliance on social networks, nutrition, reported morbidity and child anthropometry.

2.5 Qualitative Research

The qualitative phase of the research started with a wave of in-depth semi-structured interviews, each 90 minutes to two hours long. These interviews were aimed at eliciting detailed information about household structure, some historical background on the household, significant livelihood activities, and the nature of households' reliance on social networks. Some 48 households - 24 in the Eastern Cape, and 24 in Cape Town, were chosen randomly from the first and fifth income quintiles of the household surveyed in 2002.

Site selection was also carefully considered. In the Eastern Cape, participant households were selected not from the entire sample, but from three villages. To ensure that case studies represented some of the important 'livelihood ecologies' in the Eastern Cape, three different villages were chosen. 'Kufutshane'¹ was relatively close to Mount Frere; a second village, Akulyniwa, was further from town; a third, Phuzayo, was quite remote, more than two hours' drive away over notoriously bad roads. In Cape Town, households were selected from Sites B and Sites C in Khayelitsha, partly because these were relatively established areas with a diverse make up as far as household income was concerned.

In all cases, interviews were held with the nominal household head; in many cases other household members were present and would contribute information. All key

¹ Place names have been changed to protect the anonymity of respondents.

informants signed ethical release forms certifying their voluntary participation in the study and allowing the research team the right to use their words and likeness.² (Field recordings have been archived at the University of Cape Town's Centre for Popular Memory, where anonymised case studies are publicly available, and where transcriptions and recordings are potentially accessible for researchers upon signature of the requisite confidentiality agreement).

Figure 2: Participatory mapping of a kinship network



From these 48 households, 10 were selected - 5 in each of the two main sites - for in-depth investigation. Because of the importance of social grants for the study, one important criterion for selection was whether the household relied significantly on grant income. Significant participation in informal economic activity was a second criterion for selection for in depth case study. In addition the research team, rather than focus only on the poorest households, tried to ensure that there was a mix of better and worse off households.

This more in-depth phase of the investigation consisted of a much deeper investigation of the livelihood activities of the household, and the exploration of their social networks. Usually every significant adult member of the household (not only the nominal 'head') was interviewed, and interviews focussed in much greater depth on the history of the household, focussing particularly on key economic events: decisions to migrate, decisions to enter or leave the labour market, or to start or abandon informal activity. In addition, for each of these households two participatory mapping activities were held: firstly, household members were involved in compiling a genogram, mapping the nature and

² See Appendices

structure of their kinship networks. Given the limits of time, these genograms could not be very detailed, and usually focussed only on the immediate family of the household head. They did however allow a much more accurate understanding of kin relationships, and revealed that many of the ways in which relationships are translated and summarised in surveys and even in-depth interviews are prone to great inaccuracy. Secondly, in-depth case studies also involved the development of 'social maps', in which informants developed a map showing the other people and households on whom they depended, and who depended on them.

Initially, this research phase was conceived as involving at most two or more further in-depth interviews with key household members, but as the research progressed an important addition was introduced. Besides further interviewing key household member, researchers would also 'follow the social network' - identifying the most important other individuals and households upon whom they depended, and interviewing them about their livelihood strategies and their social networks. In some cases, it was even possible for the team to interview people in the distant households on the other 'pole' of migrant networks, and explore some rural-urban dynamics in much greater depth.

The fieldwork period concluded with eight focus groups, four at each of the two sites. These groups were stratified by age (under or over 35 years old) and gender viz. younger men, younger women, older men and older women. Conducted towards the end of the research process, the focus group interviews sought to both expand on, and confirm, emergent findings from the study. The semi-structured focus group interviews provided the opportunity for research informants to articulate their ideas on topics such as the nature of social capital, urban versus rural life, local socio-cultural mores and prevailing understandings of marginality. The utility of a focus group methodology is the degree of inter-subjective (i.e. between people) exchange it engenders (Kvale, 1996). The resultant dialogue flowing between participants encouraged them to clarify points and articulate their positions in a naturalistic, 'everyday', conversational manner. These narratives served to reveal the analytically-rich perceptions, positions, disagreements and conceptual dilemmas which make up the focus group participant's collective experience. In this study, the focus group interviews revealed many of the implicit 'rules' that govern social capital, along with its converse: pervasive attributions of jealousy and witchcraft. As these levels of detail frequently remain beyond the conscious awareness (and articulation) of research participants in regular, structured, individual interview contexts, this rich material often eludes researchers.

2.6 Analysis

A study like the present cannot rely simply on the in-depth narrative recounting and analysis of case studies. While this is possible for studies that look at a small number of cases, attempting this for 48 case studies would simply see the analysis disappear under a welter of detail and make the distilling an analysis extremely difficult. At the same time quantitative analysis of this data would be inappropriate. Not only would it be an extremely blunt tool for revealing causality, contextual specificity and nuance, the (by quantitative standards) limited sample size would render it unsuited to much more than basic descriptive statistics. Davis therefore (2006) advocates 'medium n' clustering analysis as an interpretive tool to analyse substantial numbers of case studies. Indebted to Charles Ragin's (cf. 2000) application of 'fuzzy sets' theory to the social sciences and his methodology of

qualitative comparative analysis (Ragin, 2003), this approach allows researchers to work with comparatively extensive data sets yet retain the detail and intensiveness that typically distinguishes case study derived data. Davis' stresses that the application of this methodology to household data also facilitates examination of causality in detail; he uses it to examine "events with multiple causation, 'last straw' threshold effects (events which lead to catastrophe due to a series of previous events), other cumulative trends, outcomes based on the ordering of a sequence of events, and complex interactions" (2006, p.2). This report therefore relies on the technique of 'medium n' clustering analysis to aggregate and examine the patterns that recur within the data.

Following Davis, household-derived case studies were analysed by grouping them together in terms of both the specific similarities and difference observed within them. For the purposes of the analysis, case studies were written up and carefully ordered in terms of theoretically grounded criteria. The resultant groupings were then used to cluster households and to develop typologies that could be used to explore the material. This was a recursive process which entailed repeated, circular movement between the empirical specificity of the case studies and a wide body of theory. The analysis was refined in dialogue between both the empirical material and the theoretical literature. In this process of analysis attention was devoted both to the differences between cases and the thematic elements that linked together even households that could be grouped differently. Individual cases could then be used to illustrate features that were salient to different groups, while remaining sensitive to the features that made each case study unique. The results of the coding were then used interpretatively, to find examples of particular themes and phenomena within the case study material. This also facilitated the converse, actively seeking out disconfirmatory (or 'disproving') cases that disproved the emerging analysis. This refined the analysis further.

This 'medium n' approach applied to case studies therefore steers a middle ground between 'large n' panel (i.e. longitudinal) or cross sectional studies that are the staple of poverty research and, on the other hand, the micro, 'small n' qualitative, case study type work. The former are often ill suited to understanding context and the complex causality of a phenomenon such as poverty or vulnerability. While the latter methods with their intensive, micro-focus can be limited in terms of their relative lack of representativeness and broad generality. 'Medium n' approaches therefore draw the two traditions together to affect qualitative-quantitative integration (Kanbur, 2002). In the present study this integration is essential in order to be able to understand social networks, social capital and vulnerability in the context of poverty.

3 POVERTY IN MOUNT FRERE AND KHAYELITSHA: A PROFILE

3.1 Labour Migration and underdevelopment

The current research focuses on one very specific context of poverty - livelihoods in areas shaped by the history (and the collapse) of the Apartheid migrant labour system. The former Transkei, in which the rural component of the research project was conducted, is shaped by a specific set of historical and social factors. Most notable of which is the fact that despite its predominantly rural character, and geographical distance from the major metropolitan areas, the region has been integrated into the urban economy of South Africa for over a century. These features, and the areas history as the first and largest of the Apartheid-era independent ethnic homelands, are specificities which need to be comprehended to understand the region in present day.

3.1.1 The former Transkei

The Eastern Cape was historically the site of often violent encounter between the expanding British Cape colony and Xhosa agro-pastoralists in the nineteenth century. The resultant series of mid-century wars saw the frontier pushed backwards and forwards between these polities. Unlike the colonial encounter between British and Zulu in Natal, ultimate military defeat of the Xhosa by 1870 was not characterised by the preservation of coherent ethnic kingdom but by thorough colonial subjugation. Colonial rule brought a variety of policies which imposed poll and hut taxes in order to make Africans pay for their own administration and encourage the supply of male migrant labour to industry (Redding 1993). Particularly with the labour shortage that followed the 'mineral revolution' discoveries of diamonds and gold. The colonial project was variously received by its subjects, and a distinction often made between the 'reds' (i.e. traditionalists, after the ochre clay and blankets they wore) and 'school' (i.e. Africans who embraced formal schooling and Christianity) (Comaroff & Comaroff 1991). This division between 'townsman' and 'tribesman' (Mayer 1971), urban and rural, tradition and modernity, was the staple of academic and official discourse concerning the Transkei and its inhabitants for much of the twentieth century (Bank 2002). Although it is a dated and overly dichotomous distinction, the region continues to be characterised by convergences and divergences between traditionalism and modernity (Bank & Minkley, 2005). The focal research site straddles an area in the north of the former Transkei, occupied by amaPondo clans to the east and Bacha in the west. Even in the urban townships to which they have migrated for almost a century, the Bacha continue to be popularly known for their traditional proficiency with 'muti' (magical and medicinal herbal potions). Some of the ambiguities of traditionalism and modernity associated with areas such the former Transkei are reflected in the institution of the chieftaincy. Despite its rhetorical appeal to pre-colonial times, it was co-opted by the British colonial system of indirect rule and hereditary traditional leaders usually became state functionaries within the ruling bureaucracy.

The late nineteenth century process of 'enforced monetization' continued with the promulgation of the Glen Grey act of 1894, which saw increased taxation, the

surveying of plots and allocating of quitrent title deeds (land renting from the state). Reflecting a mounting late nineteenth century imperial belief in the impossibility of culturally assimilating Africans (Dubow 1987), the act also provided for separate political representation through district councils and a general council (or Bunga) in Umtata (Redding 1992). After 1910 black South Africans became increasingly politically subservient within the post Boer War compromise of Boer and British that ushered in a unitary South African state. The mid 1920s passing of the Native Administration and Development Act saw all adult men become taxpayers, in order to supply migrant male labour to the rapidly expanding urban industrial economy. It was also at this stage that agrarian crisis began to set in within the Transkei. Increased population pressure began to be felt following the Natives Land act, which ultimately allocated 13% of South Africa's land for black South Africans. The inter-war years also saw the advent of 'betterment' planning which sought to rationalize 'inefficient' native agriculture, by demarcating land use zones (residential, pastoral, cultivation etc), and control the 'environmental degradation' caused by overstocking. Spanning several decades, the dispossession inherent in much betterment (particularly the culling of livestock) provoked fierce episodes of rural resistance, and stopped the process in several locales (such as Pondoland) (Beinart & Bundy, 1987). The 1950s also saw the Tomlinson commission investigate native agriculture and land holding. It proposed a two stream model whereby 'improved' native farmers with access to economically viable land units, would displace non-productive rural residents. The commission's recommendations were never implemented, in part to avoid encouraging the urbanization of Africans into apartheid's white urban spaces.

'Self-government' in 1963 was followed by the Transkei becoming the first of the 'independent' ethnic homelands in 1976. The Transkei state was an ambiguous entity, both in terms of its inner political logic and its relationship to Pretoria. In common with Bantustan governments elsewhere, the Transkei relied on the support of an amalgam of interests: the local business elite, civil servants and the co-opted traditional authorities. Peires (1991) characterises the homeland state as 'patrimonial'. In common with much of neo-colonial Africa, patrimonial homeland leaders dispensed patronage within elite clientelist networks, in exchange for political loyalty. Homeland governments also displayed complex and equivocal relationships with the Apartheid state: simultaneously subordinate to, yet exercising relative autonomy from it. Homeland rulers were therefore a mediating link between the Apartheid South African state on one hand, and local middle class elite on the other (Peires 1991). By the late 1980s the Transkei's ruling Matanzimas were weakened by their rapacious corruption, mounting popular opposition and - most significantly - the dissipation of middle class and military support. The early 1990s waning of the apartheid state sounded the death knell of the homelands, and precipitated their turbulent reintegration into a unitary South Africa.

Political reincorporation into the post-apartheid state has done little to alleviate widespread in the former Transkei, especially in rural areas where the majority of the Eastern Cape's population live. Efforts to effect market led rural growth continue to be hampered by a lack of a comprehensive provincial or national rural development policy, along with a range of planning, integration and institutional weaknesses that reflect the region's chequered and often clientelist administrative history. Amidst the decline of the little regional industry that formerly existed in the region, and the inexorable process of de-agrarianisation (cf. Bryceson 1996) colonial and Tomlinson-era debates concerning the place and viability of smallholder agricultural production persist in the present. The bulk of rural

incomes in the former Transkei now derive from non-agricultural sources, mainly remittances and increasingly state welfare grants. Notwithstanding the centrality of land based resources to the livelihoods of the rural poor, market liberalization and the complexity of modern agro-commodity systems effectively preclude smallholders from engaging in market-orientated agriculture. Reflecting on the long history of efforts to extract industrial labour from the rural Transkei, Bank and Minkley summarise that “the main dynamics in the post-apartheid era at the beginning of the twenty-first century is that rural labour - once so eagerly desired - has become a burden to the state and an irrelevance to capital” (Bank & Minkley 2005: 32).

3.1.2 Khayelitsha

With an estimated population of between 500 000 and one million people, Cape Town’s African township of Khayelitsha is particularly noteworthy for two reasons. Firstly, it is a mere two decades old; secondly, it was never really supposed to exist in the first place. Although African migration between the Eastern Cape and Cape Town has endured for a least a century, Cape Town (and much of what is now the Western Cape) was decreed a ‘Coloured Labour preference area’ in 1955. Apart from passbook arrests and repatriation back to the homelands, the Apartheid state further tempered migration by building no new housing stock for much of the 1960s and 1970s. The existing hostel accommodation was intended for unaccompanied migrant workers, in order to discourage the migration of entire African families to Cape Town (Cook, 1985). Through the 1970s into the early 1980s population densities in the smaller, established African townships such as Nyanga, Langa and Guguletu rose with increasing numbers of ‘backyard’ dwellers (who filled in existing residential sites with shacks). Housing was a decades-long source of dissatisfaction amongst an increasingly politicised African populace, and housing riots occurred intermittently from the mid-1970s onwards. The 1983 proclamation of the new township of Khayelitsha therefore reflected the waning of apartheid influx control, and its efforts to stem African migration into Cape Town.

Located 39 kilometres from the Cape Town city centre, abutting a military base and extending to the coast, Khayelitsha was intended to be far removed from any axis of future white residential growth. In accordance with apartheid urban planning it was ringed by a buffer zone of low income (‘coloured’) housing and waste or industrial land. Sandy, low-lying and subject to seasonal flooding, this difficult topography rendered the provision of water borne sewerage an ongoing difficulty, even to the present day (Morris, Leyland and Berthon, 1996). Although the intention was to ultimately relocate all of Cape Town’s African residents to Khayelitsha, this grand segregationist ideal proved untenable. It was undermined by a combination of the strenuous resistance of the residents of established African townships (who fiercely resisted removal to far flung Khayelitsha), ceaseless in-migration into Cape Town along with the waning resolve and coercive power of apartheid’s proponents.

In 1983 initial projections were that 220 000 Khayelitsha residents, would be provided with ‘core housing’ on 99 year leasehold, and more commonly ‘site and service’ stands where they would build their own shacks (Cook, 1985). One of the earliest of these shack spaces was Site C, which was a locale for many of 48 000 people displaced from Crossroads township during the mid 1980s, and those not legally resident in Cape Town. The contradictions that accompanied the birth of Khayelitsha and waning of apartheid influx control are starkly evident here:

Khayelitsha was for those prepared to move to it, irrespective of their legal entitlement to actually be resident in Cape Town. Although the apartheid state machinery of influx control has now long since been dismantled, the corrugated iron, wood and plastic shacks of Site C remain. As do their residents of over twenty years.

If Khayelitsha represented the failure of apartheid policy to prevent African labour from becoming a central part of the Western Cape economy, it perversely succeeded in other ways. Planned and developed as a racial enclave; Khayelitsha continues to be a dormitory town peopled almost exclusively by Xhosa migrants. The original early 1980s township planning made very little provision for commercial activity, merely a complex 'with 3-4 shops, a mini market, a post office and a bank agency', and earmarked no sites for industrial purposes (Cook, 1985: 62). But even in the post-apartheid era Khayelitsha continues to be a satellite settlement, with no discernable economic centre of its own, few employment prospects and far removed from the manufacturing and commercial hubs of Cape Town

This historical background of the two research sites explored is of considerable importance in understanding the realities encountered in the research process. The individuals we interviewed, the households and communities they live in, exist in the aftermath of the collapse of a centrally important migrant labour system. With the foundation of livelihood strategies developed in response to the economic realities of the late twentieth century eroded beneath them, even those who had been partially incorporated into the labour economy of South Africa are now even more marginalised.

3.2 Rural and Urban poverty: a snapshot

The 2002 PLAAS CPRC survey provides some general insights into the implications of this history of underdevelopment. The most important findings of this survey with regards to the depth and multidimensionality of poverty have been published elsewhere (De Swardt *et al* 2005; du Toit 2005; Skuse, Cousins & du Toit (forthcoming). Some of this data can help to provide a useful snapshot of the depth of poverty and deprivation in these areas.

Table 1: Some key monetary indicators of poverty in the research sites (Source: 2002 PLAAS/CPRC survey).

Site	Mean expenditure per adult-equivalent ³	Proportion of households below 'poverty line' of R560 ⁴	Proportion of households spending more than 40% of expenditure on food
'Mount Frere area (n - 733) ⁵			
Entire Area	R160	97.6 %	92%
'Kufutshana'	R231	92.9%	90.9%
'Akulinywa'	R132	100 %	92.3%
'Phuzayo	R118	100 %	96 %

³ See above footnote.

⁴ The CPRC study used the UNDP 1995 'food poverty line' of R352 per adult equivalent adjusted for inflation (UNDP 2003. *South Africa Human Development Report 2003 - The Challenge of Sustainable Development in South Africa: Unlocking People's Creativity*. Oxford University Press: Cape Town

⁵ Valid n differs somewhat from measure to measure. For simplicity's sake, the overall n of the households surveyed is given.

African settlements in Urban Cape Town (n=625)			
Entire Area	R250	91.8 %	94 %
Khayelitsha Site B	R229	93.4%	97.4%
Khayelitsha Site C	R243	92.2%	94.3%

Table 2: Indicators of agriculture and employment in Mount Frere and in the Cape Town study (Source: 2002 PLAAS/CPRC survey).

	Mount Frere (n=733)	Cape Town (n=625)
Percentage of households with access to land for food gardening	97%	-
Percentage of households owning livestock	83%	13%
Percentage of households reporting cash income from land-based production	6%	3%
Percentage of adults with paid work	25%	36%
Percentage of households where no adults have paid work	40%	28%
Percentage of individuals in permanent employment	14%	22%
Percentage of individuals reported to spend more than an hour a day in self-employed activity	3%	2%
Percentage of households reporting income from self-employed activities	8%	13%

The statistical data reflect many of the important implications of the legacies of migrant labour and underdevelopment. In the Mount Frere area, the survey revealed significant levels of access to land: some 87% of households reported access to land in some form or another. For most of these households, agricultural activity is however limited to kitchen gardening.⁶ Though most households owned livestock of some kind, only a very few households owned significant amounts of cattle (see the table on page 77 below). The survey seemed to indicate that agriculture played a relatively supplementary role in households' livelihood profiles. Some 87% of Mount Frere households in the survey reported relying on bought maize meal all year round, while less than 2% of households could provide for their own maize meal needs for three-quarters of the year (see below). Almost 95% of households reported that more than 40% of their household expenditure had gone on food (the Eastern Cape survey was held in the winter months, reflecting a time when own stores of maize would have been at a minimum).

Poverty in Cape Town's African suburbs was differently configured but seemed to produce similar levels of hardship. In many ways monetary poverty in Khayelitsha was much less desperate: a significantly larger proportion of adults (36%) reported doing some form of paid work. Although employment was better than in the Eastern Cape survey, it was still low, with 28% of Cape Town township households reporting that no adult in the household had any form of paid work; there were

⁶ Reliable numbers cannot be provided here. The 2002 PLAAS CPRC survey does not allow an accurate estimation of access to larger, ploughed fields as opposed to garden agriculture. The survey asked informants to distinguish between ploughed fields and grazing lands. But because of the practice of letting cattle graze on ploughing fields after the harvest, fenced fields were called grazing lands by field workers and translators. Survey data of possession of grazing lands *vis a vis* ploughed fields is therefore not trustworthy.

also very low levels of reported involvement in self-employed activity: only 2 % of individuals were reported to spend time in self-employment. Some 83% of households in the Cape Town study (compared with 92% of households in Mount Frere!) reported *no income at all* from self-employed activities; the median income from self-employment for households in the Cape Town study reporting *some* income was R200 per month. The survey also highlights the vulnerability of employment: 32% of households in the Cape Town study, and 27% in Mount Frere, were reported to have suffered the loss of income by a breadwinner in the previous year.

Table 3: Reliance on bought maize meal by households in Mount Frere (Source: 2002 CPRC survey)

Months reliant on bought maize meal (n=733)	Valid Percent	Cumulative Percent
1 month per year	1.5	1.5
2 months per year	0.4	1.9
3-5 months per year	2.6	4.5
6-8 months per year	5.2	9.7
9-11 months per year	3.1	12.8
All year round	87.0	99.9
'not applicable'	0.1	100.0
Total	100.0	

The survey also highlighted the central role of social grants and cash transfers in the local economies of these areas. The data reflect the greater reliance of households in the remote Eastern Cape on grant income (see table below) as well as the significant contribution made by grants to the income stream of grant receiving households. The survey also highlighted that large numbers of people fall outside the net of the social welfare system, with almost three-quarters of people reported to have 'no paid work' in Mount Frere, and four out of five of such people in Cape Town, also being reported as not being in receipt of any social grant. In Mount Frere, 28% of *households* where no adult had paid work also received no grant; in Cape Town this figure was 53% - which indicates that individuals without paid work *and* without grant income may be more prevalent in households where someone else has an income.

Table 4: Some indicators of employment and employment vulnerability (Source 2002 CPRC survey)

	Mount Frere (n=733)	Cape Town (n=625)
Percentage of households receiving grants	64%	41%
Mean contribution of grants to income in grant-receiving households	79%	56%
Proportion of adults reported as having 'no paid work' <i>and</i> as being in receipt of no social grant	74%	81%

Finally, the survey also shows differences in the levels of subjective and 'lived poverty' indicators. Although the proportion of households reporting experiencing food shortages in the previous year were broadly similar, Mount Frere reported much greater deprivation in some areas (e.g. drinking water); while respondents in

the urban Cape Town study were more likely to report deprivation relating to housing and shelter.

Table 5: Reported food insecurity and 'lived' poverty (Source: du Toit 2005a).

	Mount Frere (n=733)	Cape Town (n=625)
Percentage of households reporting going hungry in previous year	83%	80%
Households with food expenditure more than 40%	93%	94%
Households reported as 'often' experiencing:		
<i>Going without sufficient food</i>	23%	31%
<i>Going without medical care</i>	16%	12%
<i>Going without clean drinking water</i>	40%	9%
<i>Going without sufficient fuel for heating or cooking</i>	5%	20%
<i>Going without sufficient shelter</i>	13%	38%
<i>Feeling unsafe due to crime</i>	2%	9%

Interestingly, subjective *overall* poverty assessments differed less, perhaps because such self-assessments often involve a relative, comparative element within communities: In both the Cape Town and the Mount Frere study, only 2% of households asked to assess their degree of 'chronic' poverty, indicated that they 'always' had enough; a further 5% in Cape Town (and 3% in Mount Frere) said that they 'mostly' had enough. Some 17% of Cape Town households (and 13% in Mount Frere) said they were 'often' poor; 12% in Cape Town (8% in Mount Frere) said that they never had enough or were 'always poor'; while 4% in Cape Town (3% in Mount Frere) said they were 'dying' of poverty.

This section has provided a brief overview of some of the main quantitative outlines of monetary poverty and deprivation in Mount Frere and in Cape Town's African townships. For most of the rest of the report, we will be exploring in more detail the complex reality behind these numbers.

4 LIVING IN THE MIGRANT SYSTEM: AN OVERVIEW

4.1 Introduction: a poor urban household

Learning from and presenting the findings of qualitative research as opposed to quantitative poses distinct challenges. This is partly because the strength of qualitative research lies in its ability to highlight the complexity of interactions and the diversity of their range of variation. A challenge of qualitative research lies in the fact that each case – each individual, household or event – is unique, and presents a never-to-be repeated constellation of particular circumstances and distinctive features; while at the same time each case can be seen to be illustrating patterns, truths, and processes which are broadly shared. This complexity can be summarised in heuristic models: frameworks that highlight some of the key relationships and processes at stake. But eventually it can only be fully grasped by a careful exploration of the key themes, similarities and divergences that emerge in the full range of case studies.

The pages that follow seek to strike a balance between, on the one hand, highlighting the complexity, diversity and uniqueness of the cases that the research explored and, on the other hand, stepping back to highlight broader similarities and themes as they occur. This report thus deals with the case study material in two ways. In the first place, it simplifies the complexity of the case study material by clustering case studies and developing a typology of strategic livelihood configurations. This will focus attention on some of the broader patterns that are seen to be emerging. Secondly, particular case studies and events are used as examples illustrating our arguments. Sometimes such illustrations will be cursory and brief; and sometimes particular events and stories will be highlighted in more detail. We start, however, with a relatively detailed picture of one household - the story of one 60 year-old woman in a shack in Site C, Khayelitsha. With this introductory case study description, we will be doing three things. In the first place, this depiction is aimed at highlighting the richness of the detail and the density of the information that in-depth qualitative research can reveal. Secondly and partly linked to this, the analysis will show the power of qualitative research to ‘reveal aspects of people’s lives that would ordinarily disappear in a quantitative analysis. Thirdly, we will explore how this case study, while unique, illustrates much that is more generally true for the livelihood situations of all the people interviewed in the study.

Case Study 1: One woman’s story - Vuyiswa Magadla, Khayelitsha Site C

Vuyiswa N lives in a tiny shack set well off the road in M*** crescent, in Site C, Khayelitsha. Her home would be hard to find for outsiders: to reach her front door, you have to find your way between the homes with street frontage and proceed through the narrow alleyways that branch between the shacks behind them. This is a part of Khayelitsha that has been settled for almost twenty years; it is densely populated and, to the practiced eye, therefore also highly regulated. Vuyiswa and her neighbours have been living alongside one another for years, and not much happens on the street or in the alleyways without someone noticing. Though the

main street is littered with the detritus of poverty – cans, bottles, and plastic canisters leaking drained engine oil into the gutter – the alleyways are neat and quiet, and on sunny days laundry will be drying on lines strung between shacks and Port Jackson trees.



Figure 3: Vuyiswa and Thandiwe

Vuyiswa’s shack is some way along one sandy little alleyway. It is guarded by a fairly solid looking metal gate but this rarely seems tightly closed – not in the daytime, anyway. To enter one simply pushes it open with the customary call of ‘nqo nqo nqo!’ (knock knock!) to let the residents know you are there. Rather than sitting in the middle of its plot, the way many Khayelitsha shacks do, it appears almost to mimic an Eastern Cape compound, in that there seem to be a collection of buildings; these face each other around a tiny central courtyard. There is a small structure on the left with a carefully locked door (this belongs to Vuyiswa’s elder sister’s daughter, Nolusindiso); directly opposite the gate is the main structure, built of ancient wooden beams and rusted corrugated iron. The little patch of ground between them is hilly and uneven, carefully shaped into little hills and dales, and covered in ancient, weathered carpet — testimony to Khayelitsha residents’ ceaseless battle against the vagaries of stormwater and the ever present sand. The kitchen is threadbare and damp, the concrete floor covered with ancient linoleum; and *papier maché*-like wrinkled paper covers the walls, carefully glued there with flour porridge in the practice called *ukuplaga ngamaphepha* or *ukuqaba amaphepha*. The place is sparsely furnished: an weathered, plain wood bench stands along one wall; another, tiny little stool along another; a table with a paraffin stove, and an ancient kitchen dresser with dented but meticulously clean pots and pans. Through the kitchen door one glimpses a dark, empty lounge containing a fireplace which seems unused even on cold days.

Vuyiswa is a diminutive, wizened woman with what appear to be cataracts in her eyes. She moves slowly and initially appears guarded and reserved; as time passes what strikes the visitor is that this reserved manner does not seem to flow from timidity but from a carefully cultivated comportment. Though poor, Vuyiswa has what in Xhosa is known as *isidima* (dignity) and this is evident both in her careful, traditional dress and in her almost courtly

insistence on formalities. On most winter days one will find Vuyiswa and some of her kin sitting in the sun outside her house, escaping from the cold and damp inside; in the time of the research, she would usually be tending to Thandiwe, Nolusindiso's child, at this time less than a year old.

The household is composed of Vuyiswa, a widow, aged 60; her elder sister Nombeko's 37-year old daughter – also widowed - Nolusindiso, who works as a domestic worker in Constantia; Nolusindiso's infant daughter Thandiwe, and Vuyiswa's grandchild Noluntu, aged 20. Alongside this core of residents, there is also a shifting cast of other visitors – in fact there is so much flux and fluidity in the household that the researchers tended sometimes to be confused. One person, for example who had been listed as a permanent household member at the time of the 2002 survey was Vuyiswa's elder sister (and Nolusindiso's mother) Thembeke. Though Thembeke regularly visited Vuyiswa's house for extended period (partly because, as she told the research team, the Cape Town doctors were stronger than their counterparts in the Eastern Cape), her real home - and the place where she collected her pension - is in fact in Krancolo in the Eastern Cape, where she (nominally) takes care of Nolusindiso's other children, Zandile (13) and Siphoh (6) — nominally, because in actual fact it appears to be Zandile who looks after her brother Siphoh and her grandmother. In addition to her pension Zandile's father (whom Nolusindiso never married) pays R300 maintenance on Nolusindiso's behalf to Thembeke; this helps her take care of the children.

Also in the Eastern Cape were Vuyiswa's daughter (and Noluntu's mother) Nomsa, who as it happened had also recently become a widow, and was living in Qumbu along with her other daughters Lindiwe and Thandiwe; at the time that the team visited, Nomsa's son Welile was also living in the Eastern Cape, schooling there and only visiting his mother during the holidays. Later in the year Lindiwe and Thandiwe, in turn, visited the shack in M*** street for their holidays – and were very helpful in piecing together aspects of the household's Eastern Cape network (see map below).

Vuyiswa herself had come to Cape Town in 1979, shortly after the death of her husband. Initially she stayed in the house of her brother, Madoda Simani and for a while survived doing domestic work in Cape Town's coloured suburbs. This was a time of hardship – she seemed to suffer from her employers' racism (in her daughter's words, they were 'very Apartheid'); the job also involved lots of ironing and her lower back hurt. She lost that job after an extended visit to the Eastern Cape, and subsequently found employment as a domestic worker in Newlands. At some point in this period – she is not clear about dates – she moved into her present shack in Site C. In 1989 she broke her leg after a fall down stairs, was unable to do her work, and was replaced. For a while she sold 'smilies' (cooked sheeps' heads), which was very hard and difficult work.⁷ After a while she switched to selling fruit and vegetables: her brother Madoda gave her the R100 with which she started the business. She says the money was not a loan but a gift given in gratitude for all the times many years ago that she had helped him, buying him shoes when he had no money, and paying a village tax on his behalf.

In about 2000 (her recall of dates is uncertain) she also got diabetes and was awarded a disability grant. Ever since then she has been living in her shack with her sister's daughter Nolusindiso, using her disability grant to supplement Nolusindiso's income – and also using it to help keep her business going. She would use R300 or R400 of her grant to buy fresh vegetables from a place in Nyanga East – even though it was quite far, she preferred to buy there rather than from Mabhela's wholesale closer by, whose stuff was as cheap but not as fresh. Fortunately for her the taxi driver would not charge her extra for the box of vegetables she carried on her lap. She could not sell the fruit and veg from her own place, which was situated off the road, so she would use her brother Madoda's house. One of the advantages of the fruit and veg business was that it was not too demanding on her injured leg, and she could

⁷ For a description of the unpleasant and hard work involved in making smilies, see p.98.

do the work sitting down. She also says that though she has trouble seeing, she can see well enough to count the change. She did well out of the fruit and veg business, reporting that she made more money than the white family in Newlands had paid her. She also helps out her brother's wife, Nombula, with the dressmaking business she ran from a stall near Site C terminus. Madoda moved to the Eastern Cape some time ago, and whenever Nombula leaves to spend some time with her husband, Vuyiswa helps mind the business.

Another important source of income are Nolusindiso's wages as a domestic worker. Nolusindiso never married, and had initially only planned to visit Cape Town for a short while (her daughter Zandile had been ill and she had come to see the Cape Town doctors, apparently sharing her mother's prejudices against Eastern Cape medics). She, too, stayed with extended family (in this case, another sister of Vuyiswa's called Sinomvuyo, who had died the year before the study. She had better luck with employment than Vuyiswa and soon found work as a domestic worker in wealthy, white Constantia. At the time of the research project, she was bringing home in the region of R1200 per month.

At the time of the research team's visit, Vuyiswa had given up her fruit and veg business. She explains that this is partly as a result of the birth of Thandiwe. In the first place, Thandiwe put more pressure on the household income, so that according to her there would often not be extra money left to buy fruit and vegetables for selling. Secondly, caring for Thandiwe, while Nolusindiso worked as a domestic worker was also more demanding in terms of time. Thirdly, it also seems that it was at this time that her daughter Nomsa's husband died, and at the time of research Vuyiswa was managing to save (she said) between R300 and R400 a month from her disability grant towards her Nomsa's *izila* (coming out of mourning) ceremony. Nolusindiso was covering the bulk of domestic expenses (what Vuyiswa calls the 'big things'), buying groceries from the Somalian run shop down the road while Vuyiswa contributed by taking care of Thandiwe and covering the 'small things' – beef stock, soup, extra paraffin, and train tickets for her granddaughter Noluntu, who is schooling in Langa. When Amandhla is big enough Vuyiswa hopes to return to selling fruit and vegetables from Madoda's home. She said that she plans to keep the business small, since if it gets too big, it will attract the attention of the *tsotsis*.

Crucial to Vuyiswa and Nolusindiso's survival is their connection to a broader social network. Some of this network is relatively easy to identify: her shack is visited by a steady trickle of visitors, most of them family. Her brother's sister in law (in other words, Nombula's sister) Unathi is a particularly regular visitor. Often these visits are only the occasion for conversation and gossip, but a social map of Vuyiswa's household and the households it depends on reveals that these familial links are also the conduits of significant other resources (see map below). A look at the network formed by these lines reveals something important: that Vuyiswa's household, though in one sense a relatively independent unit, is also part of a number of households all connected through lines of kinship and alliance to that of her brother, Madoda Simani.

Although Madoda is currently living in the Eastern Cape, tending to his cattle and his compound, he plays a central role in the organisation of this larger network (as Nolusindiso explains, he is the only man, so he is supposed to look after them all: the women in his own family as well as the women in his wife's family). Madoda is a formidable but rather shadowy figure, and much about his past was *not* uncovered by the research team; partly because key moments in his history are passed over in silence by his relatives. It is fairly clear that he spent a while working on the mines in the 1970s before being injured in an accident that cost him his toes on one foot. After spending some time in the Eastern Cape recovering he migrated to Cape Town and found work in a cement factory. It may be that he spent some time in prison - when the team visited him in the Eastern Cape his arms bore the tattoos typical of Cape Town's 'numbers' gangs: this, and the tough, streetwise hauteur with which he received the team, seemed to suggest to the translators that he had spent at least part

of his life as a *'tsotsi'* (gangster). But none of this is mentioned in the descriptions of him by his wife Nolusapho or his sister, who both paint him as a paragon of respectability and virtue.

Certainly it is clear that his shack in Site B played a key role as an urban 'beach-head' for kin, clan members and other villagers seeking to migrate; according to his wife there were at one stage 14 different people all living in the tiny property. It is also clear that his injury did not cripple the household financially. A key role was here played by Nombula and her sisters, who had started their own dressmaking business. It is this dressmaking business that is credited for the fact that when Madoda's shack burned down in 1998, the household was able to recover relatively quickly.

Dressmaking is not the only activity in Madoda's Cape Town household. His eldest son was also in the process of establishing himself in business: among other things he was the owner of a prominent container-based business perched on the side of T*** crescent road not far from Vuyiswa's home – a blue container prominently signposted as S*** Internet Café. (The team had in fact already noticed this structure and visited it (see Figure 4), wanting to see who was making use of internet services in impoverished Khayelitsha. The business's name had proved to be rather misleading, though; as the impeccably dressed young men who were employed to run it explained, it once did have an internet connection but this proved to lose money – the dialup connection was too expensive and there were too few customers. Though the business kept its 21st century name, it now sold hair extensions and shampoo.) Another important connection – about which Vuyiswa did not reveal much until well into the research process, is her relationship with Andile Mathole, her boyfriend (or 'steak and kidney pie' as her sister's daughter termed it), a grizzled shebeen owner who lives down the road from her, and with whom she freely shares resources and money.



Figure 4: Vuyiswa's nephew's failed foray into the information age: an internet shop that now sells hair products.

Without these connections, Vuyiswa’s household would be a lot worse off. It is clear that they are substantially cushioned, and their poverty is significantly reduced, by the fact that they are part of this spatially extended and tightly knit network of kin. But at the same time, one should not make the mistake of seeing these relationships only as harmonious. In some ways, Vuyiswa’s position should be seen as relatively precarious.

The situation described here is the outcome of a long and complex ‘back story’ relating to Vuyiswa’s life before she came to Cape Town. She did not share much of this story with the team, but it is known that the death of her husband in 1983 was a major blow. She was still a young woman at the time of his death. By marrying him, she had in effect abandoned her family and had no real claim on their support; as his widow she was expected to continue living in his compound and raise his children. It appears that her relationships with his family went sour, and that there was a sustained campaign of attrition against her on the part of a ‘jealous’ aunt which steadily made her life more and more impossible. A key role was played through her friendship with Nombula, her brother’s wife, and Nombula’s sister Unathi, who interceded on her behalf with Madoda and entreated him to take her back in the family fold. There is no strong cultural obligation for an elder brother to receive back into the family a sister who has married, but apparently Unathi was successful.

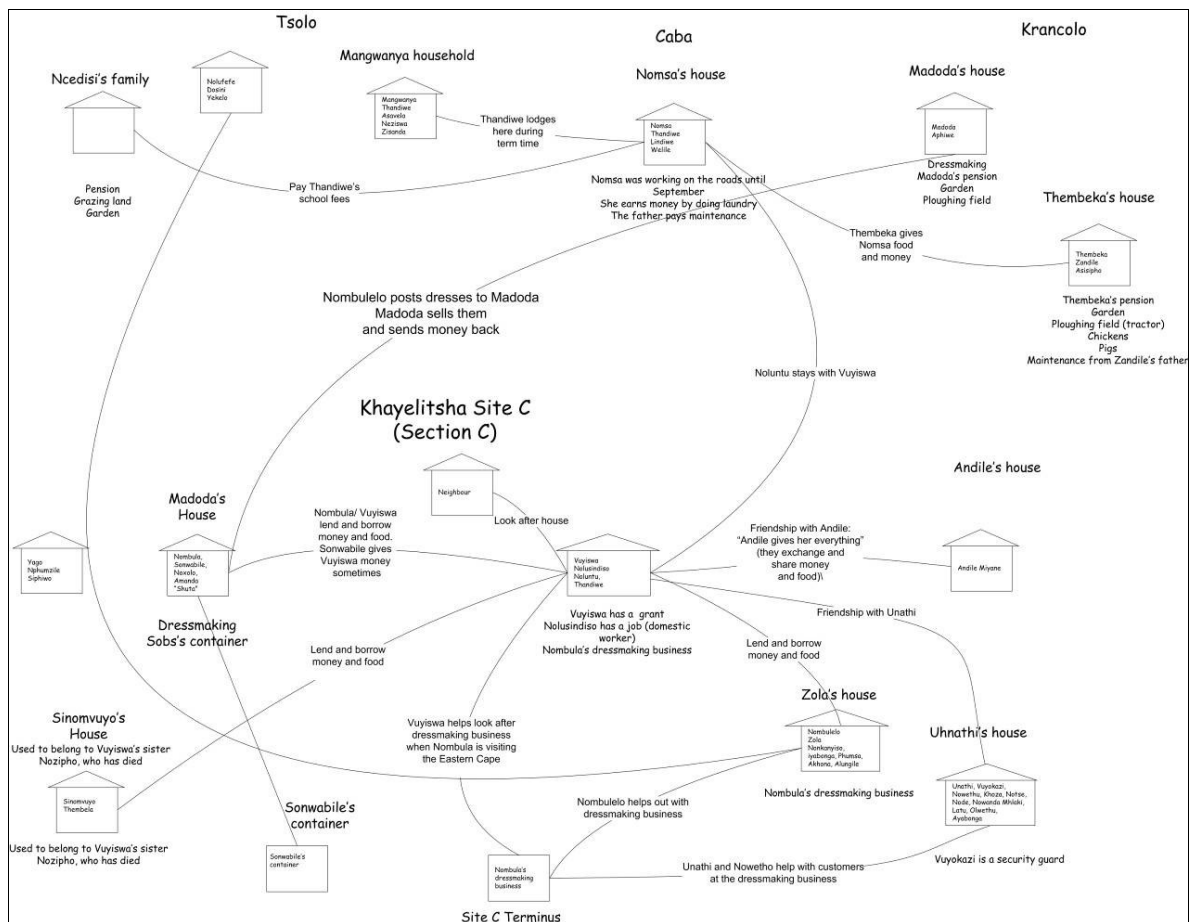


Figure 5: A map of some of the people in Vuyiswa's social network

Similarly, though there clearly is a strongly co-operative element to the domestic arrangements in Vuyiswa's household, there are also limits to what is shared. The threadbare interior of Vuyisewa's house contrasts sharply with what is behind Nolusindo's carefully locked door. Her tiny room contains a new, glossy, fake pine veneer wall unit displaying hi fi and small television, all new; as well as a sturdy bed with a brightly coloured modern duvet. Vuyiswa does have access to the room, and is allowed to watch TV or listen to the radio (as long as she does not touch Nolusindiso's cosmetics!)... but even so it is clear that Nolusindiso's contribution to the household is limited to the groceries and daily running costs, and that Vuyiswa is not able to use the income to accumulate household durables for her rooms. In fact, Nolusindiso confessed to the team that she would much rather stay on her own. She can't buy any more things because her little shack is too small, and convenient as Vuyiswa's child care is, Thandiwe will soon be old enough to be sent to a crèche. The most important reason why she has not moved out, it appears, is that were she to do so, she would have to be located in Enkanini or Kuyasa, the most far-flung settlements in greater Khayelitsha and far more inconvenient for someone who needs to travel in to Constantia regularly.



Figure 6: One house - different worlds: the interiors of Nolusindiso's room (left) and Vuyiswa's (right)

So although Vuyiswa seems to be comfortable in her role as one of the female elders in this loosely organised kinship structure, it should be notable that her position is rather fragile. The co-operative household arrangements she and her sister's daughter have come to are limited in their scope and to some extent a compromise forced on them by necessity. During the interview process, Vuyiswa hinted that Andile's children were not happy about her connection with him. Were she not to play the role of gracious *gogo*, dignified but also knowing her place; were she to be cantankerous and 'difficult', the fragile relationships upon which she depends might be strained. Her dignity seemed to be in part a personal attribute, but it is also a socially required role. It is no coincidence that she was so reluctant to revealing the existence of a boyfriend; it seems to flow not only from personal reticence but also because a woman with *isidima* is not expected to have such liaisons; or if she does, not to flaunt them. To the team, Vuyiswa's graciousness and respectability seemed genuine: it was not adopted instrumentally; but at the same time, it seemed clearly to be an expression and a corollary of her marginal and vulnerable place as an elderly, partially disabled woman surviving by playing a role within the delicate frameworks of a much more extensive kinship network

4.2 A household in context: livelihoods in post-apartheid migrant labour networks

The previous pages provide a glimpse into some of the details that have been collected about one of the households surveyed in 2002. If one compares the picture that emerges here with the basic facts that were collected in the 2002 survey it is clear that it enables us to understand much more about the real livelihood situation barely hinted at in the numbers. In fact, some interesting discrepancies seem to emerge. The survey lists *five* adult members: in addition to Vuyiswa and Nolusindiso, Vuyiswa's boyfriend seems also to have been included in 2002 as a household member, as was her Eastern Cape-based sister (who it seems likely was then on another long medical visit to Cape Town). It is important to note that this discrepancy is neither the result of Vuyiswa misrepresenting her household to the enumerator nor of the enumerator simply making a mistake: even though we now know he keeps his own household, Andile could very well fit in with the survey definition of a household member;⁸ and Thembeke and her daughter would have been household members if only for the duration of their stay. Another interesting point is that although the *number* of children recorded in 2002 is the same as those encountered in 2005, there has been an almost complete change of cast. Welile (7 years old at the time of the 2005 visit) was indeed recorded as a 4 year old household member in 2002, but Siphoh (now living with Thembeke in the Eastern Cape) is also listed as a household member (the child grant due to him is in fact listed as part of the household income); and so is Lindiwe (now living with Nomsa in the Eastern Cape). Of Noluntu, very much an established household member at the time of the 2005 research, there is no mention in the 2002 survey. The survey lists the grant income and reflects the wages from Nolusindiso's domestic work, but it lists no other income even though it appears from interviews that Vuyiswa was at the time of the survey making more from selling fruit and vegetables than she had made as a domestic worker.

There is much to learn methodologically from these differences. Clearly the discrepancy in the household description is cause for thought. The 2002 survey makes it hard to distinguish between 'core' household members who are permanently resident, and those members who are important to the household but who may share resources at a less intense level, belonging to a kind of second tier (Andile, in this case); or those (like Thembeke) who are not permanently resident but who may be temporary household members for an extended period of time. As important is the invisibility of Vuyiswa's informal economic activity. In-depth interviews with Vuyiswa and her connections (the case study of Vuyiswa's household involved 11 separate in-depth interviews with her and her family members and probably as many additional informal visits and house calls) are clearly able to allow a much more accurate and nuanced picture - and illustrate the complex relationships and nuances of meaning broadly reflected in the data the survey records.

But adding colour and detail is one thing, and using this detail to deepen a scientific, sociological, systematic understanding of livelihood dynamics is another. One important place to begin building this more systematic analysis - one that connects particular details with more general trends and patterns - is to highlight the extent to which many of these details illustrate more general truths about the households surveyed in this research project. Above all, Vuyiswa's story has many

⁸ The 2002 survey defined a household as a group of people who eat together and share resources. It did not make co-residency a strict requirement.

particular features typical of the livelihoods of poor people living in the context of the networks that were created by the Apartheid-era migrant labour system, and that have persisted in changed and mutated form, deep into the post-Apartheid era. We move therefore to a discussion of some of these broader patterns - patterns and issues that we will be discussing in more detail in the subsequent sections.

4.2.1 Social networks and ‘social capital’

One important theme in Vuyiswa’s story which is particularly crucial in understanding the situations of people living in post-Apartheid migrant networks is the important role of reciprocity and social connection. Although her household is in monetary terms quite poor, reciprocal arrangements with neighbours and kin allow them a measure of security – helping, for example, to ensure access to food when they run short of money – and ease the harshest aspects of their poverty.

These networks of course also involve claims on her and she may be called to make quite significant ‘investments’ on her own part - looking, for example, after her sister’s daughter’s child, tending her sister-in-laws’ shop when she is in the Eastern Cape, and contributing towards her daughter’s ceremony. These forms of help are particularly difficult to quantify, and often are quite invisible to standard income and expenditure surveys - yet they make a very real difference to a household’s ability to survive at the edges of the formal economy.

This is of course a well-known feature of life among South Africa’s poor. In recent years, ‘social capital’ has become a key buzzword in policymaking in development circles - to the extent that in the Western Cape provincial government, departments are required to have ‘social capital formation strategies’ (City of Cape Town, 2005) But long before ‘social capital talk’ was popular, scholars had noted the importance of social networks, linked to cultural practices and normative belief systems around the importance of reciprocity and mutual aid (Spiegel *et al* 1994, Spiegel & Mehlwana 1997; see also Sagner 2000). The anthropological literature seems to suggest that these practices are not everywhere as deeply embedded: where communities have been affected by displacement and fragmentation, people are much less able to rely on social networks to cushion shocks and alleviate hardship (Spiegel *et al* 1994). In the communities studied for this research report however, this was not the case. The eastern Cape villages that constituted the rural context of the research have not been hit hard by dispossession and removal; while many of the households visited in Sites B and C in Khayelitsha have been settled at their present addresses for ten years or more: enough time for dense local social networks and interconnections to come into being. These connections play a vital role in the strategies people develop to combat the effects of poverty and vulnerability.

In a later sections we will explore some of these dynamics in greater depth - as well as looking critically at the concept of ‘social capital’ itself and how best to understand its role in social relationships. For now, we will simply note that the workings of social capital in the Eastern Cape and Khayelitsha are profoundly shaped by the very particular social and spatial legacy created by migrancy, and by what this legacy means for household structure and kinship relations.

4.2.2 'Domestic fluidity', stretched households and circular migrancy

Vuyiswa's story powerfully illustrates some key features that have been remarked on in the broader literature – the fluidity, porosity and spatially 'stretched' nature of African households within the context of post-Apartheid migrant networks (see e.g. Ross 1996; Spiegel 1996; Spiegel & Mehlwana 1997; Ngwane 2003; Robins 2002; Ross 2003; Russel 2004). Although the concept of the household is not quite *meaningless* – it is clear that for the purposes of day to day resource sharing, Vuyelwa's household *does* constitute a coherent and somewhat distinct 'unit' – it is clearly both fluid and porous: changing in composition over time, and intimately and strongly connected to other places and people through the links of kinship and alliance.

A comparison between what the qualitative research revealed about household structure and composition with the results of the 2002 survey seems to indicate a fair amount of flux and change. Of the 48 households in the 2005 study, only two appear not to have changed in membership at all; and in only three of the remaining 46 cases are the changes purely due to births and deaths. Unfortunately limitations in the research design do not make it possible to establish definitively whether the differences between the members listed in 2002 and those listed in 2005 for the remaining 43 households are simply the result of measurement errors and artefacts (members being omitted and non members being listed). In the case of the ten in-depth case studies it is clear that the differences result both from probable measurement artefacts (for example, Vuyiswa's 'boyfriend' being listed as a household member in 2002, and being all but invisible in 2005) and from real change (Noluntu joining the household, for instance). In general, the data strikingly illustrates the extent to which household composition is subject to change, and their porosity - the extent to which the sharing of resources is not neatly confined to a stable core or conjugal residents, and their boundaries may be ill-defined and shifting.

These issues are closely related to the need to better understand the nature of circular migrancy. As a growing body of scholars have argued, research on migrant livelihoods challenges the idea that the stretched household systems that evolved during the Apartheid era would disappear, and make way for a nuclear Western model. This has not happened. The economic structures that have enabled the classic pattern of unaccompanied male circular migration have been undermined; but other forms of migration have continued; have become more complex and diverse in their configuration and may even have intensified (Lurie *et al* 1997; Posel 2003; Posel & Casale 2003; Collinson *et al* 2003; Posel Fairburn & Lund 2004; Statistics South Africa 2006; for a discussion of some of these patterns in Zimbabwe, also see Potts 2000).

As Vuyiswa's story illustrates, strong links remain with distant locales in the Eastern Cape, and for many urban residents, the Eastern Cape, remains in important ways the cultural and economic centre of their lives. This is reflected to some extent in the ways in which both people in the rural and the urban contexts tended to idealise certain aspects of life in the Eastern Cape, representing it as a site of harmonious social relationships and easy living on the land (see Box 1) - a depiction belied by their decision to migrate! But although these representations of the Eastern Cape are strictly speaking idealistic, they do convey the extent to which many respondents in the PLAAS study, particularly the older ones, continued

to experience the urban areas - even the African townships - as essentially alien, whereas for them the Eastern Cape was not simply a regional denominator, a province of South Africa; it was *Emaxhoseni*, the land of the Xhosa, a place of real belonging.

This is linked to a broader point about the central role played by *social hierarchy and status*. Even among quite poor people, decisions about how to allocate expenditure do not seem simply to be guided by the imperatives of material survival. One of the striking features of the social worlds revealed by the data both in the Eastern Cape and Cape Town is the great emphasis on hierarchy, status, social form and due process.

The importance of respectability, status and *isidima* (dignity or esteem) shape many choices, including the massive investment in funeral cover and the significant expenditure on male initiation ('buying' masculine personhood) and the importance of investing in homesteads and cattle. For many informants, their long term hopes for economic accumulation took a distinctive form: it was about the accumulation not simply of wealth as such, but of forms of wealth that involved very specific and culturally shaped values. For them migration to the Cape Town was a temporary affair, part of a much longer term accumulation strategy that saw participation in the urban economy as a temporary means to the ultimate end of investment into the rural economy of the Eastern Cape homestead.

"..it is harder to live in Cape Town than in Emaxhoseni - people are suffering more here. In Emaxhoseni people are planting and have livestock - whereas people are unemployed and sick in Cape Town. It is easier for people to help each other in the Emaxhoseni than here. The only reason people come [to Cape Town] here is because the doctors are stronger here." (Khumbuza Nkonjane, a lay preacher, Ky 068)

"Cape Town is worth staying in if you can find employment but if you are unemployed Emaxhoseni is better because in Emaxhoseni you can be buried. It is not just all about money in Emaxhoseni. And there are ways of making a living - you can maybe transport wood to people with a donkey and sell them wood for R20. Here it is difficult if you are unemployed - a whole day can go by and you are not even able to have a cigarette. In Emaxhoseni people know you and they will be willing to give you food or share a smoke with you. Here in the Cape people don't know you, and they don't help. It is also better for children to grow up in Emaxhoseni - here they get naughty. So many children are drinking in the Shebeen at a young age, and they don't want to go to school. Here they want money to go play the jukebox & they want to go experience attractive things." (Vusi Ndzumeka, a shebeen owner, Ky 071)

"In Xilinxu everyone is my family and they all help one another" (Phumzile Cekiso, Ky 157)

"The reason why it was better for [her grandchildren] to be in Emaxhoseni, even when she was not there to look after them, is that life is easier there. Food is easier to get. It is not hard to plant the veg there. Here in Cape Town there is no land to plant. In Emaxhoseni they have land to plant... [In addition] people in Cape Town are much ruder than in Emaxhoseni; that here it is necessary to be rude. She thinks one of the reasons why people are rude in Cape Town is that they are mixing with the Coloureds. In any case, when people are being rude they use a lot of the words the coloureds use. Perhaps the reason why [her daughter] Nosikhumbuza is so sweet is that she grew up in Emaxhoseni, not here" (visiting relative, Ky 164)

"He says that it is hard to maintain a household in Emaxhoseni *and* in the Western Cape but it is a must. You cannot close your home there. Your ancestors are there. So you have to open that house. This house here in Cape Town is not a home... Emaxhoseni is a much better place than the Western Cape. There are many ways to succeed. You can plant tomatoes and wheat and so on especially if you have money. When he gets his package he plans to start something. He wants to get livestock and to have grazing land. If he could, he would even retire and take the pension now. But he has to wait till he is 60" (Municipal worker, Ky 169)

"When asked about the differences between the city and here, G*** said the villages were better even though it is difficult to get a piece job, as this is the place where he was born. He reported that it is nice being in the place where one is born" (Retrenched worker in Phuzayo, eastern Cape [ref])

Box 1: Some representations of life in the Eastern Cape

Case Study 2: Going hungry to build the homestead - Nontuthuzelo Mbada, Site B, Khayelitsha

Nontuthuzelo Mbada is a woman in her early thirties who, unlike many of her contemporaries in Khayelitsha still wears the German print skirt and headcloth of the respectable married Xhosa matron. In the CPRC 2002 survey, her household is reported to fall into the poorest expenditure quintile in Khayelitsha. It is recorded as being composed of Nontuthuzelo, then 28, her much older husband Xolile Mbada, 39 years old at the time of the survey, and their three children Themba (9), Wathabile (7) and Asa (4). The survey records that only the youngest child, Asa, is in receipt of a child grant; though Xolile is listed as having full time employment their wage income in the month of the survey was reported to be only R400, bringing their reported income to R530. They are recorded as reporting food insecurity in the previous year, recording two 'hungry months'; in addition they have very few assets, and are recorded to be living in a shack made of wood and plastic. Interestingly they do not see themselves as excessively poor: their subjective poverty assessment says merely that they 'sometimes do not have enough.'

Again, the research team's 2005 visit reveals a very different picture – some of it due to change. The shack is still noticeably threadbare and empty, devoid of the usual accoutrements (wall units, lounge suites, electronic consumerware, porcelain dolls and gimcracks) that signal that its residents have been able to do more than just survive. It has been upgraded though; not only is it now constructed of corrugated iron rather than plastic, but it also has a neat pavement of brickwork in front of it. There have been some other changes – there is a new family member, Sibongile, just three weeks old, and Asa has lost her grant – Nontuthuzelo and Asa having spent more than three months visiting their homestead in the Eastern Cape in the previous year, as a result of which it was forfeited. Further light on the 2002 survey is cast by the revelation that Xolile works for a company that constructs swimming pools (hence the neat brickwork paving in front of the shack). Although he is technically employed year round, inclement weather during the winter can sometimes mean that weeks go by without him earning any money: clearly the 2002 visit caught them at one of these poorer times. In a good month, she says Xolile can bring in R1600.

Nontuthuzelo's life history reveals the broader temporal and strategic landscape of which their Cape Town household is but a part. She is from a village near Cofimvaba, where she lived until she was 17, at which age she was married off to Xolile, who is from a village near hers. Although the families know each other she never knew him, she says: his parents and hers got together in 1991, she was asked to go to another house while they talked; it was decided that she should marry him, and she was taken off to Cape Town (it was not nice, she says, but with time she got used to it, and even got to like Xolile).

In some ways, in fact, Nontuthuzelo hardly seems to inhabit Cape Town. She spends extended periods at Xolile's compound in his village, going back there not only in December but also throughout the year: in the previous year, in fact, she spent the entire year there. When she can't be there, they lock the place and get Xolile's brother to look after it, and after Xolile's cattle.

Nontuthuzelo says she prefers to stay in the Eastern Cape. Whereas in Cape Town, one gets lazy because there is nothing to do except to stay around the house, there are many things to do at their place in the Eastern Cape. They are building their own house there – a 'four room' and a 'rondawel.' When she is there, she makes the mud bricks and they employ a builder; but sometimes they also employ other people to make mud bricks for them, paying R100 for 100 bricks. They have spent a lot on that house, putting cement both inside and out; they have

not yet put in furniture but will do so soon, depending on the money. So there is a lot of work to do in the Eastern Cape, whereas in Cape Town there is nothing to do but to sit in the sun. She prefers to work. Another reason why Nontuthuzelo prefers the Eastern Cape is that she says she has more status there. They have grazing land and a garden plot, and they have cattle, and she gets on well with her family.

In contrast, her existence in Khayelitsha is circumscribed. She says she has never been outside Khayelitsha, and has hardly ventured even outside Site B. She gets on well with her neighbours chatting with them and lending or borrowing small items of food, but she does not have any important friends here.

Interestingly – even though she depicts them as making significant investments in their rural homestead – Nontuthuzelo also says that Xolile’s salary is barely enough for them to eat on; and that she can see the ‘gap’ caused by the fact that she is not receiving any child grant. The children do not have socks, and they do not have underclothes. The reason she has not yet applied for the grant to be renewed – and for a grant for her three-week old newborn – is that the application procedure is so onerous. The social workers say you must bring this document, and when you go to bring it to them, they say the other document has expired. They just complicate things, she says: they are not nice, they are rude; as she puts it, they make you feel you resent the grant. So she does not like to go and apply for a grant.

Although Nontuthuzelo presents herself as the dutiful Xhosa wife, devoting all her energy to building her husband’s homestead and looking after his children, it seems that this is not the whole picture. Towards the end of the interview she told the team that she feels that she is struggling: that life has grown harder as she has grown older. She has thought about starting a small business of her own but she does not know what she will do. If she could find work in Cape Town, she would not even consider going back to the Eastern Cape. She might find work as a domestic worker. She would do domestic work for either white or black people.

The story of Nontuthuzelo Mbada highlights a number of key issues that we will return to later in this report. In the first place, it powerfully illustrates a very particular long term strategy – that of ‘building the homestead’ (McAllister 2001), investing significant amounts of money not in an urban property but in a distant rural one, and limiting consumption expenditure in Cape Town. It shows the very high rates of saving and investment back that can be found even in households without very much spare income – to the extent that they have reported going hungry, and Nontuthuzelo admits not being able properly to clothe the children. It highlights some of the reasons why this strategy might make sense in the long run; representing as it does an investment in rural respectability, status and *isidima* that would elude Nontuthuzelo and Xolile in Cape Town. And it also highlights some of the costs of this strategy, in the hints that Nontuthuzelo’s accommodation to the role of respectful Xhosa wife may not be that easy, and highlighting the costs (for example, in the lost child grant, and the loss of her own personal hopes and dreams) of her massive investment in her husband’s long term economic project.

Even households that were not actively building or remitting still spent huge amounts on maintaining urban-rural connections, spending what must be a significant amount on travel and communications (see, e.g. Skuse & Cousins 2007). As this report shall show, rural connections often function to help urban workers absorb shocks, and rural kin often play a significant child care role. It should however be remembered that the path of circular migration is one that is not true for everyone. It is a thoroughly generational phenomenon (Spiegel, 1996; James,

2001). There are many who do not intend to return to the rural areas, and in the rural areas, there are many who never leave.

The result is a spatial configuration of livelihoods that cannot be captured in terms of any idea of unidirectional flow. Even the notion of circular migration oversimplifies things somewhat. What is important to note is that *while at the level of the individual, a wide range of different migration paths are possible, at the supra household level migration has created an elaborate network of connections that link individuals and households together across vast distances.* This has important implications for understanding how livelihood strategies develop in this context and is often something not taken into account by economic modelling that assumes that decisions are taken by stable, self contained households. Households should not be seen as atomized, practically independent units. Even the notion of households as ‘fluid’ or ‘stretched’ does not quite capture it. Du Toit, Skuse and Cousins (2006) have proposed that households in this context should be conceptualised as existing within a ‘rhizomic’ structure - in other words a network that, like a rhizome, does not have one central tap-root or centre but which, over time, takes on a multi-nodal, multi-centred aspect: in just this way, migrant connections work to create a system of interconnected outposts of which both the urban and the rural aspects play very different, but equally important roles. *To a very large extent understanding the choices of individuals and households requires that we grasp that they form part of livelihood strategies that involve investments, exchanges, and distributions of resources, people and risks within such larger spatially extended networks.*

In the first place, the notion that a household can tightly be defined simply in terms of the people who are ordinarily resident needs to make space for the recognition that households can have non-resident members (Posel Fairburn & Lund 2004). Secondly, beyond the obvious case of remittances, linkages between households can involve a significant transfer of other resources such as household durables, gifts, loans and exchanges - and also human capital. As Vuyiswa’s story indicates, there is a significant traffic in people and human bodies between the Eastern Cape and the metropolitan areas. Children are sent from the urban to the rural areas to be cared for by family members; or similarly, they are sent to stay with city relatives, often for purposes of schooling; and part of the very significant impact these exchanges may have on the domestic economy of ‘sending’ or ‘receiving’ households is the fact that children (particularly female children) from a relatively early age are also units of instrumental value, playing an important role in household reproductive activities and care work.

One person’s story shows how a life of migrancy helps create spatial networks that become a strategic resource in their own right.

Case Study 3: A ‘spatially distributed’ cottage industry: Phumzile Cekiso’s dressmaking business, Site B Khayelitsha

Phumzile Cekiso is one of the better-off individuals in the sample of households selected for study in Cape Town’s African suburbs, reporting a monthly income of almost R4000 in 2002. Originally from a small village near Inqamakwe, he worked as a machine operator in a coal mine near Witbank until 1987 when he and his colleagues ‘toyi-toyied’ for more money and he was fired and sent back to the Eastern Cape. He did not stay there long: he says it was not easy being in the Eastern Cape after spending time in Johannesburg – your mind is broader and you ‘see things.’ He decided he was a businessman, and he realised that there were more

people in Cape Town than in his village; in the Eastern Cape you are selling to pensioners and the pension money does not come quickly. So he moved to Cape Town. Initially he worked as a security guard but the money was poor so he left. For a while thereafter he had a small business selling women's things – earrings, lotions and shoes. (Selling women's stuff makes better business sense, he explains: men do not want to pay, and when they buy shoes they buy only one pair, while women will always buy fashion shoes). After three months he found work in a plastics factory, where he has been working ever since. Recently the factory has been making workers redundant, and he is in fact working on half time, which is difficult: although the subtractions from his wage slip are the same, the salary has halved, so his wage income has really diminished.

To make ends meet, Phumzile is selling dresses: he makes the traditional German-print dresses. He knows how to sew – his sister taught him how to do it in Johannesburg. She never went to school: she taught herself how to sew; and then she taught him. As far as he is concerned, sewing is not a woman's job. He has noticed that other men see him sewing and also want to learn – the only time a man tells you sewing is a woman's work is when he is drunk.

Initially in the interview, Phumzile is reticent about the dressmaking, and indeed is a lethargic interview subject, lounging in his easy chair and answering questions in a languid manner. He emphasizes how little money he has and what a big blow the half-time work is to him; and he merely says that he does some sewing when he gets a chance. At the same time it is clear that he does not experience himself as poor, and that, like Nontuthuzelo's husband in the case study above, he and his family are investing significant amounts of money in building their Eastern Cape homestead – paying people to make bricks (he has instructed a builder to build a beautiful house there), and planning to increase his herds (he has 10 sheep already, and says he wants to get lots of livestock). As he speaks about these plans, he becomes visibly more animated, gesturing intensely as he describes how his dressmaking business works – a business which relies implicitly on the spatial connections created through migrancy.

At the moment his wife Babalwa and several of his children are in the Eastern Cape looking after the property. It is she who is maintaining the homestead and supervising the building there. So essential is her presence there that when she comes to visit Cape Town, she and her Cape Town based daughter 'swop' places, with the daughter travelling to the Eastern Cape so that her mother can visit town. She also plays an important role in the dressmaking business. Babalwa collects orders from women who want dresses. They have to give half the money as a deposit. She puts the money in their joint bank account. He uses the money to buy material in Cape Town and spends his evening sewing. He will cut the dresses one evening, and then start sewing them the next. He estimates that when there is lots of demand he can make 15 dresses a week. Then he posts them back to Babalwa, who sells them to her customers at R180 per dress. He says he wishes the factory would make up their minds about retrenching him. If they retrenched him, he would use the package to get a business going – he is thinking of getting a large paraffin tank and selling paraffin, and he will be able to devote more time to his dressmaking.

In a very important sense, Phumzile Cekiso's household (and that of Madoda Simani's in Vuyiswa's story, who employed a very similar strategy) is not so much a 'stretched' as a 'distributed' one - a fairly tightly integrated network in which both the Cape Town and the Eastern Cape nodes play a vital economic role, and which allows him to exploit a strategic advantage at each end (buying cheap material in Cape Town, and selling it in the Eastern Cape). It is not only multinational and global corporations, it appears, who can advantageously deploy their economic activities in a larger distributed framework - Phumzile B and his family members

are able to use the rural urban spatial connections they have created to create a business that depends for its success partially on its ability to exploit space and distance.

An important point to note here is that the flows are not simply unidirectional. In some fascinating cases, the team also found instances where households deep in the rural Eastern Cape were remitting money to jobless relatives in the urban centres:

Case Study 4: Kwanele Ngubane: using savings to support urban relatives

Fifty five year old Kwanele Ngubane, who was recently retrenched from good formal sector employment, supports 13 dependents. These dependents include his wife, two of his adult brothers, five children and a grandchild at his rural Transkei homestead, along with four children away from home in urban centres.

The four children away from home are geographically dispersed across the regional centre of Mthatha and Gauteng. Of his offspring away from home two sons are currently in matric: one at a former religious order school in Mthatha, the other is at school in Sebokeng. The son in Sebokeng lives in a hostel and originally joined Kwanele there when Kwanele was still employed and resident in Sebokeng. A third son, also resident in Sebokeng, has recently completed his N6 certificate in 'mechanics' (they were unsure precisely what the qualification was, but said it was comparable to the old 'fitter and turner' qualification) at Vaal Technikon and is seeking employment. To improve his employability he has further completed a code 10 driver's license. The final and fourth son is at 'Pretoria Technikon' (Tswane University of Technology). He was supposed to finish his four year long qualification last year, but failed a subject and currently repeating it. With only a standard 6 level education themselves, his parents were unclear on his precise field of study, although they thought it might be marketing or commerce related.

Living in the rural Transkei, engaging in agricultural production and living the fixed income of a retrenchment package Kwanele makes the following remittances to his sons every month. He sends R650 to the son in Pretoria, R550 to the two sons in Sebokeng and R450 to the son in Mthatha: a total of R1650. However this amount represents the minimum amount for subsistence, which sometimes needs to be augmented for specific expenses. For instance Kwanele, sitting in his homestead in the deep rural Transkei, was utterly incredulous at the cost of the textbooks required by his son in Pretoria. One book cost almost R500, 'net een boek!' ('only one book') he emphasised in Afrikaans. When asked why his children were schooling in such disparate locations (the children in Sebokeng and Mthatha are both doing matric, for instance), Kwanele and his wife explained that the son in Sebokeng was unable to enroll in Mthatha. They also explained, in a somewhat bemused and tolerant way, that the children can always find many good reasons why they ought to go to a particular school or tertiary education institution. Kwanele explained that at Christmas time, when the whole family gathers together in the village, there is often a bantering competitiveness about who is going to the better institution.

Finally, when asked about how optimistic they were that their children would find good formal sector jobs (thereby justifying the substantial expenditure in education) in light of the fact that their son with a N6 is sitting unemployed. Kwanele and his wife said they remained optimistic. One can't find a good job nowadays without a good education, they explain.

4.2.3 Informal economic activity

The second way in which Vuyiswa's story illustrates broader themes is in the significant and complex role played by informal economic activity. This is a crucial aspect of livelihoods among the households in the study. In some households - as in the case of Vuyiswa, informal economic activity plays a supplementary role: one component of a picture of which a formal or quasi-formal job (such as Nolusindiso's domestic work) or a social grant can be the other components. The nature and role of informal economic activity will be discussed in much more detail later in this report. Here, we will only note three key points: the informal economic activity is *ubiquitous*; that it is *elusive*; and that it is *marginal and fragile*.

In fact, the study seemed to indicate that informal economic activity may be more prevalent than surveys often suggest. According to the 2002 survey, only 4.7% of adults in the urban sample and 4.1% of the rural sample listed themselves as self-employed (among the subset of households drawn for qualitative investigation those proportions were roughly the same: 4 of the 76 urban adults and 5 of the 89 rural adults reported self employment. In the rural sample only 7% of the households (and only one of the households drawn for the qualitative investigation) reported income from non-agriculture informal economic activities; in the Cape town sample income from self-employment was reported by 16% of households (and by four of the households subsequently drawn for qualitative investigation).

The 2005 research phase showed a very different picture. Qualitative interviews indicated that 29 of the 49 households for which we have data were involved in some form of informal economic activity (admittedly in some cases quite marginal). Of the 10 Eastern Cape households that did not report informal economic activity, seven devoted energy to informal 'subsistence' agriculture. Two households that did not report any informal economic activity seemed to be devoting all their energy to seeking work; in two more cases the research team noted that the informants seemed reticent and disinclined to disclose economic activities.

Some of the differences between the 2002 survey and the 2005 interviews may be due to changes over time; though in many cases the informal activities listed by informants were said to have been in place in 2002 as well. Further differences may be due to inappropriate phrasing of questions in the 2002 survey - not everyone who is involved in informal economic activity may consider themselves to be 'self employed' (Adato, Lund & Mhlongo 2004). But in most cases households that plainly had been dependent on informal economic activity for a significant part of their livelihoods were recorded as having 'no paid work' and also did not report any income from other activities.

This raises an important methodological point. One of the strengths of qualitative research is that it may bring to light aspects of social and economic existence that may elude survey research. This is partly because qualitative research methodology places much greater emphasis on the flexibility and inquisitiveness of the researcher, who is enjoined not merely to work through a predefined list of questions and mechanically record the responses, but to prompt and probe, to notice and follow leads. In addition, the development of greater trust and rapport between researchers and informants in the course of a number of visits may lead to informants 'lifting the veil' on aspects of their livelihood activities previously not revealed. The following four case studies illustrate the complexity of 'what is

revealed' in the research encounter and some of the challenges of engaging with the ways in which informants represent themselves.

Case Study 5: Supplementing the pension: Mamzoli Mashiye, Phuzayo, Eastern Cape

The 2002 PLAAS survey's account of Mamzoli Mashiye's household survey paints a picture of a very poor household scraping by in the poorest income quintile of the Mount Frere sample. Mrs Mashiye reports that she does 'no paid work;' the survey records that no-one is self employed even on a part time basis, and indeed a month by month recall question of income over the past year lists no income other than her pension and R200 worth of wage income in the previous month (this in fact is likely to have been a remittance contributed by her son Simpiwe – see below). There are some indications that although Mamzoli is monetarily poor, she has been able to invest in some household durables and assets: the household is listed as owning a refrigerator and has a moderate endowment of livestock (seven goats, 19 chickens, two geese and one pig).

This picture becomes more complex when one visits Mamzoli in her large compound situated on a steep slope above the road through Phuzayo. She receives visitors in a 'flat' (a rectangular structure) with a corrugated iron roof, and interviews take place on modern chairs at a kitchen table neatly covered with a table cloth advertising an exotic liquor product. There is also a large, comfortable and clean wood-and-red-velour lounge suite. The refrigerator listed in the 2002 survey turns out to be a large gas powered fridge freezer, with a number of 9 kg LPG gas bottles lined up along the wall next to it. All these material artefacts are indications that Mamzoli is not among the very poorest of the poor.

Interviews reveal that Mamzoli relies greatly on her adult children, some of whom have work in the urban areas: in particular her son Simpiwe, who is a bakery manager in a nearby town, sends her about R400 per month (his story is told on p. 145 below). She also indicates that she sells meat. She was struggling to survive with her many grandchildren, and Simpiwe bought her the large gas powered deep freezer so that she could go into the meat selling business. It is therefore clear that she had already been involved in selling meat at the time of the 2002 survey. She reports making about R500 profit from the meat per month; this money mainly goes to support the children's schooling.

The interview process also reveals other things. When the team visits Mamzoli the second time, they notice a number of beer crates piled next to the house, several of which contained empty, refundable quart bottles. During the interview an elderly man silently enters the house, seats himself on the lounge suite, and is handed a cold bottle of beer which he wordlessly sips during the course of the interview. Only when Mamzoli is jokingly asked whether she provides beers for her guests for free does she reveal that, yes, indeed, she does also sell beers. While she gets the meat from nearby Matatiele, she gets the beers (approximately 7 cases a week) from a local bottle store. Her two grandsons, aged 11 and 14, are an integral part of the business, buying the beers from a local liquor store and also taking care of selling when she is not around. She estimates she makes about R600 from the beer per month. In addition, she stores food for other villagers in her freezer, a considerable favour in an unelectrified village.

In-depth interviews thus reveal a picture very different from that reflected in the survey - rather than a household reporting no income beyond a single pension, it reveals a household held in a web of family relations – and which more than doubles its pension income through informal economic activity. (She noted, incidentally, that the pension helped her with her

business, allowing her to buy stock; and clearly it made it easier for her to supply credit to her customers – which as we will show later, is a key issue). Furthermore, it is clear that Mamzoli was involved in these activities at the time of the survey. In part the discrepancies are the result of the fact that, rather than implement the survey in a linear way, the team followed up and prompted on the basis of a number of clues. In addition Mamzoli only revealed the extent of her informal economic income once some rapport had been established.

Case Study 6: The poorest man in Khayelitsha? Khumbuza Nkonjane, Site C, Khayelitsha

If the 2002 survey is anything to go by, Khumbuza Nkonjane must be one of the poorest men in Khayelitsha. The survey records a household of some seven adults, none of which has any paid work. In the month in which they had been visited, they reported earning a paltry R362 of which R12 came from ‘food production’, R100 from a ‘friend’ and R250 from unspecified ‘other’ sources. Monetarily speaking, income per adult is therefore a little more than R50 a month (using expenditure rather than income as a figure oddly delivers an even smaller amount). They reported few assets (although they are, interestingly enough listed as owning a radio, a television set, a cellphone *and* a Telkom line) They describe themselves as ‘often’ going without food (every month in the preceding year is reported as a hungry month), and their own assessment is that they ‘never have enough’ - that they are ‘very poor’.

Initial impressions confirm this overall picture. When the team first visits Khumbuza at his large and ramshackle and sparsely furnished shack in Khayelitsha Site C on a cold day in June, he is a picture of ill-being; lying on a dirty mattress on the cold, slightly damp floor, wrapped in a ragged blanket, coughing unhappily. At the same time it is hard to ignore the fact that he is speaking rather testily into a late-model Nokia phone. The picture that emerges in the subsequent interview (in which Khumbuza is joined by his sons and a visiting elderly gentleman with a dignified demeanour, impressively polished shoes and an equally new cellphone) largely confirms the picture painted in the survey three years before. He has been working and living in Cape Town on and off since 1969, working initially in manufacturing and later in retail. His wife and sons joined him in the early 1980s and they moved to Khayelitsha in the mid-1980s at the time of the ‘Witdoek’ (political vigilante group) troubles. Since then they appear to have been leading an existence divided between Khayelitsha and their home in the Eastern Cape (they have a small homestead, with no livestock and fields, but with a garden and some chickens), spending half the year in town and half the year at home in their village near Cofimvaba. In fact, at the time of the team’s visit, Khumbuza’s wife, Nomazikhizi – listed as a household member in 2002 was in the Eastern Cape, and Khumbuza was due to join her shortly afterwards. It appears that Khumbuza had a disability grant for a while, but he lost it in November 2004 when it was cut off by ‘the people in Bisho’. At the moment they survive on the salary of their son Zolile, who recently managed to get a job at a restaurant in the Grandwest Casino complex. This income they supplement with a fruit and vegetable business which they insist is ‘not working:’ turnover is about R60 – R70 a week but they cannot say what the profits would be. In addition, they also sell smilies (sheep’s heads) and walkaways (chicken feet).

So far, so good. But what, however, is one to make of Khumbuza’s nice looking cellphone? Why is the shack so large? The reception room, indeed, seems to be easily 40 square metres, and is the largest room the team has ever seen in a corrugated iron structure; so large is it that there are poles in the middle of the room to prop up the ceiling. Interestingly enough, it is painted a very pleasant shade of light blue, and a variety of cowhide drums and large blue plastic tubs adorn the walls. A clue is provided by a table at the end of the room, covered with a blue tablecloth, on which stand, among other things, a large iron candelabra and what

appears to be a 30cm long toy plastic lion. All these accoutrements suggest one question: is the room used by a church of some kind?

It appears it is. Khumbuza gets up with some difficulty and he and his gentleman visitor unfurl a large blue banner that has been furled in the corner, on which meticulously sewn white lettering spells out 'Africa Apostolic Asiria Church in Zion.' Khumbuza is one of the founding members, and his friend, Mr Tole, is the Archbishop. They founded it in 1982, and there are two branches – one in Nyanga, and one in Site C Khayelitsha. Each branch has about 50 members. They have services on Tuesdays, Thursdays, Saturdays and Sundays. They do not collect money, Khumbuza says, but people do contribute R2 or so to the church when they can. Khumbuza claims to be able to heal people: he cures them through his prayers, and he also blesses and purifies water, that people can drink to become well. They do not pay him for these services, but people who have been cured buy him airtime for his phone to show their gratitude. People also donate groceries to the church; the two pots of sheep's heads cooking slowly in the corner are in fact for the church – people are thanking God, not him.

How poor is Khumbuza and his family? From the sparseness of their furnishings and the fact that they sell smilies to survive (hard and laborious work that does not pay well) it is indeed clear that they are struggling and that money is scarce. But with 50 people congregating in the home several times a week, making donations of money, food and airtime, it is also clear that this household is far from being the poorest and most marginalised in Khayelitsha. How well they do is hard to establish, since Khumbuza is reluctant to disclose anything more, and it is at pains to keep on pointing out how little they have and how much they suffer. All the team knows is that the picture presented to the survey team in 2002 is but one aspect of a much more complex livelihood strategy – one Khumbuza is only prepared to reveal to them in outline.

Case Study 7: Surviving with some style: Vusi Ndzumeka, Site C Khayelitsha

Vusi Ndzumeka is an ebullient man of about 50 distinguished in equal measure by his friendly easygoing manner, his impeccable presentation (the team usually found him in a smart leather cap, wearing neatly washed and pressed jeans and check shirts toying with a large bunch of keys hanging from his neck on a lanyard), and his deep gravelly voice – the legacy of years of breathing in corrosive fumes at W*** timbers where he (apparently) made creosoted wooden poles for construction and fencing. Probably as a result of his employment in the timber industry, his home must be one of the most neatly finished shacks in Khayelitsha, covered entirely on the inside with varnished tongue and groove panelling, into which light fittings have neatly been recessed.

The furnishings are poor – again, there is none of the lay-by furniture one would expect in a household where someone has held down a steady job for some years — but well looked after. The table in the middle of the room, the threadbare couch, the battered kitchen unit in the corner, and a massive and ancient refrigerator in the lounge all seem to be ancient, worn with use, but meticulously clean and well maintained. A sign on the wall announces in Xhosa that 'we close at 9 PM'; on the wall hang a wooden African mask and some pictures (of elephants, meerkat and of Nelson Mandela) cut from old magazines and carefully framed. In the corner stands a truly enormous and rather battered wood-veneer valve radio, apparently still in working order. A picture by the kitchen door shows a much younger Vusi, sporting an Afro and stylish clothes, perched on that same valve radio, which in the picture looks gleaming new.



Figure 7: Vusi in his front lounge

At the time of the 2002 survey, the household was composed of Vusi, his girlfriend Nomakhazi (he calls her a girlfriend now, but she described herself as his spouse in 2002) and their one year old daughter Noxolo. According to the survey Nomakhazi (who was the informant) reported Vusi as being permanently employed, bringing in on average about R1500 per month; she also reported high levels of food insecurity. Since then a number of things have changed. For one thing, Vusi and Nomakhazi have split up. Nomakhazi has moved out, taking Noxolo with her, and Vusi currently shares the shack with Xolile, whom he describes as his half brother (in actual fact they seem to be much more distantly related). Nomakhazi currently works in Uitenhage, and Noxolo is in the care of Vusi's mother in Middeldrift, who is also looking after his sister's child while the latter works in canning industry, 'making pineapples' as Vusi puts it.

It appears that Noxolo is not Vusi's only child; he also has another son, 15 years old, by a woman from his own village, Nomsa. Vusi never married Nomsa: he says that when he got her pregnant he decided to leave so that he could save up enough money to marry her – but as it happens he never managed to get together enough money to do this. Nomsa is also in the Eastern Cape, also in Middeldrift. Interestingly it turns out that Nomsa and Nomakhazi have met, and it appears that at the time of the interview both of them were suing him for maintenance: Vusi shows one of the summonses to the research team, appearing untroubled by the prospect of having to appear in an East London magistrates' court in a few weeks time.

One reason why he is not particularly worried is that he has a perfect defence: he has lost his job. He and Xolile (who worked at the same company) were retrenched in August 2004, along with everyone in the pole-making operation. At the time the team visited them, they said that they were surviving on their remaining UIF moneys, an amount of R600 per month.

Xolile does casual work in the building industry, going every day to stand at the side of the road; from this he makes between R120 to R400 a week, depending on how much work he gets. Vusi's chest is too weak to allow him to do manual work, so he runs a little shebeen, selling beers in the summer, paraffin in the winter, and cigarettes all year round.

How does Vusi's business work and how much money does he make from it? This is surprisingly difficult to find out. With regard to the paraffin, he buys a 25 litre container at the Trek garage which is some way up the road; he borrows a trolley to get it here or he and his half-brother put a knobkerrie through the handles and carry it together. A 25 litre container costs about R80; they sell it at R4.50 per litre or R3.00 for 750 ml. Apparently many who are unwilling to walk far for small amounts of paraffin are willing to pay the mark-up. During the summer he sells about 5 cases of beer a week at (he says) profit of about R110 per week. The shebeen was not really working, Vusi told the team; should he not have found a job by the time the UIF ran out, he would have to leave Cape Town and return to his family in the Eastern Cape, where survival is not so expensive.

The problem is that it is not easy to tell whether this is the whole picture. If Vusi was struggling financially, how did he manage always to be so neatly presented? Certainly he and Xolile showed no sign of leaving when the UIF did run out. It is clear that Vusi's lounge is not a large and flourishing shebeen (there would not be space, for one thing) but it is clearly a hub of community activity. Interviews, in fact, are hard to conduct partly because of the ceaseless stream of visitors and people popping in and out: a neighbour offering a plate of *afval* (offal) for sale; someone else asking for a donation; a young girl coming round from next door, asking to borrow a needle; people dropping in to listen to (and even contribute to) the interview. Vusi fields all these visitors with equal aplomb – welcoming and carefully confining them to his lounge, popping into his carefully locked bedroom to fetch paraffin or cigarettes but not allowing anyone else access. He appears to be doing well – far from a retrenched factory worker looking either for work or to return to the Eastern Cape, he comes across as a well established urbanite with a clearly defined economic niche in the local market. Indeed, in one of the team's last visits, when he was asked whether he would take up his old job again if it was offered to him, he said he would not: the work was too dangerous he said, coughing asthmatically to illustrate the damage to his lungs; and he would have to travel all the way out to Kuil's River. He would much prefer running his shebeen to working at W*** again – his main problem was that his shack was too small for his business; if he had more money, the first thing he would do would be to extend it.

Indeed, as the months wore on, the research team became increasingly frustrated at its inability to penetrate beyond the urbane surface presented by Vusi. Although he always seemed happy to see the team, he would always just be on his way out when they visited; and when interviews were held, they degenerated into silly joking before too long. In the course of a year of visits to Khayelitsha, he managed to unveil very little beyond what the team learned in its first visit – without ever obviously refusing to answer a question or to be interviewed.

Case Study 8: Making 10c work for me: Mam Thandi's spaza in Site B

Mam Thandi lives alone with her daughter Didi in the bend of a side street off one of the busy roads that snake into Site B Khayelitsha. She is another person whose economic existence is all but invisible in the 2002 Survey. According to the record of her responses, she had no employment at all during the time of the survey, not even self employment; she reports no income in any of the survey's income categories, and her responses to a twelve-month recall question suggest that she had no income at all in the past year. A visit suggests that she was either revealing only part of the truth, or her circumstances have radically changed: far from

the emaciated or malnourished and desperate person the figures one would expect one to meet, the person who opens the door is solid and friendly — even jolly — with an easygoing, neighbourly manner. Her child, Didi, is clearly a well-cared for child, with a huge head of lovingly tended hair; though she is not expensively dressed, her clothes are well made clean, and far from threadbare. A Coca Cola sign is affixed to the wall above the door, and crudely painted lettering on the corrugated iron fence around the property announces that this is ‘Mam Thandi Spaza’ and advertises the goods on sale: sausages, fish, cool drinks, sweets, biscuits. Inside, the house is bare of luxuries and the walls are unpainted but everything is clean and well tended: an old wooden fashioned kitchen dresser bears an assortment of carefully polished pots and dishes as well as a little Tupperware box full of money; a two plate burner stands on a kitchen counter; a couple of big wholesale bags containing smaller packets of goods – chips and biscuits – hang from a nail on the wall.

As the team gets to know Mam Thandi she slowly reveals some of the complex realities of her life story and her current existence. Her ebullient, jolly exterior appears to belie some pain; even in the first interview she breaks down in tears as she explains how she never knew her father (her parents got divorced when she was still very young) and how bereft she felt at the death of her grandmother, who was the person who was like a mother to her. In later interviews the tears come again when she remembers having to bury her sister with little help from her family, and when she talks about how she struggles to feed Didi without access to a child grant. She appears to have survived almost on her own for most of her life: she has never been married, and she suggests that most of her relatives turned their backs on her and did not support her. Large areas of her past – having to bury a sister with little help from her family; the violence that drove her out of KTC camp – appear to be painful for her to revisit, and she tells the team that even today she does not like to go back to Lower Crossroads where some of her remaining relatives live: she does not like to be reminded of the past. She emphasises her isolation and denies that she has any friends of significance, telling the team that her grandmother on her deathbed had warned her to beware of friends: friends are jealous, she says, they will gossip about you and they will betray you. So she stays away from friends.

At present, she tells the team, she is running a small spaza, selling mostly sweets and biscuits; most of her clients are children. Her daughter Didi, who (she confides in the team) is loved by everyone in the street, is one of the reasons why children come to her store; they come to play with Didi and then they also buy things. With time it also becomes clear that Didi also plays an important economic role, taking care of the shop and efficiently helping customers when her mother is unable to attend to business. During the team’s first visit, a toddler appears at the door with a tiny fist full of bronze coins, apparently intent on buying a single piece of chewing gum (a Chappie). The money is counted out, and Mam Thandi explains to the child that this is not enough: a Chappie is ten cents. The child turns around angrily and silently and walks out. Mam Thandi explains to the team that some spaza owners, if they are sleeping, and a child wakes them wanting to buy a single sweet, might complain at being asked to wake up for ten cents. ‘I will wake up for ten cents’ she says ‘because when I have that ten cents, it will work for me’. She indicates that she does not believe in either giving or asking for credit: if you cannot repay a debt, you will make enemies, she says; and if someone is indebted to you and can’t pay, they will become your enemy too.

The team visits mam Thandi many times in subsequent months. Sometimes they come for a formal interview; sometimes they drop by to offer a small gift – some hair conditioner for Didi – or to offer a lift to Mam Thandi’s oldest daughter who lives in Mfuleni. Sometimes they just drop by to make conversation and sit idly chatting while they are courteously served food, juice or tea by the solicitous Didi. Slowly, as time passes, Mam Thandi also reveals more and more of her social and economic life. The team discover that in spite of her disavowal of ‘friends’ Mam Thandi does in fact rely on a small network of trusted and valued connections. They also find out that Mam Thandi (contrary to what the survey says) has

always had a spaza, and in fact had a very successful business when she was still living in the older settlement of Crossroads, from where many Khayelitsha residents hailed in the mid 1980s. Now it is just a small business, she does not want to attract the attention of the tsotsis. The spaza business appears to fluctuate heavily from week to week. One week, her kitchen contains a deep fryer (acquired from the mother of the child of a friend of Didi's) as the winter gets colder she starts selling fried sausages. A week or two later she discloses to the team that she has not been able to replenish her stock, since she has no money, and people who have bought sausages on credit are not repaying her. The team also becomes aware of other activities. One morning the team arrives to find a man's clothes hanging from a clothes line in Mam Thandi's yard. Sibongile, the field worker, jokes with Mam Thandi and asks whether this is her boyfriend's clothes. No, Mam Thandi explains, this is just laundry she has been doing for some neighbours; they will pay her a little money for this favour. Furthermore, when they visit in the mornings or early afternoons, the team are as likely to find Mam Thandi or Didi taking care of Vuyo, a six month old boy, left at the house by the mother of another friend of Didi's. After a while it transpires that Mam Thandi is being paid (about R300 a month) for this service by Vuyo's parents. Another much younger 'friend' of Didi's, also there almost every afternoon, turns out also to be there not simply as Didi's friend but as a recipient of Mam Thandi's care. Her parents have not made a concrete and definite monetary arrangement; but at the end of the month they will usually give 'something'. How did Mam Thandi get into the childcare business? She explains that her neighbours know she is a respectable woman: they can also see that Didi has been well brought up so they feel safe in leaving their children in her care.

By the time the fieldwork period ends, there are still many questions for the team, and they are not convinced that they have a complete financial picture. Near the end of the fieldwork period, for instance, Mam Thandi buys curtains on lay-by from a shop: curtains which cost, according to her, several hundred rands. How can she afford that? She does not say. But patience and the long building of trust has revealed some aspects of Mam Thandi's economic existence, and how she cobbles together a slender livelihood from a variety of marginal sources.

It is no wonder that the 2002 survey was so poor at picking up very much additional informal employment. For one thing, these activities often have a part-time and marginal nature: it is possible to understand why neither Vuyiswa's fruit and veg business nor Khumbuza's tribute income from the church would have been reported to enumerators as 'self employment.' Even more significant is the reluctance of informants to completely disclose the extent of their informal economic activities and how much money they make from it. In some of the above cases it was only probing by the research team, prompted by visual and other clues, which led to activities being revealed. Sometimes even a significant investment of effort, time and rapport building was not enough to penetrate beyond the façade informants presented to the team.

An important point needs to be clarified here: *the ubiquity of informal economic activity does not mean that township business is flourishing.* All the businesses described above other than the dressmaking enterprise are marginal: they represent people eking out a living and managing to make very tiny margins go a long way. These activities seem to make a vital difference to survival, but they represent very fragile attempts to survive on the part of people who have to combat not only economic marginality but also bodily frailty. Later, these issues will be explored in more detail. The report will highlight some of the factors that may underpin this reticence; and will discuss in more depth what the research

surfaced about the nature of informal economic activity, the role it plays, and some of the constraints people face in pursuing them.

4.2.4 Gender, invisible work and ‘social value creation’

A third key feature of Vuyiswa’s story which will be encountered again and again in the pages that follow is the central importance of care work and household reproductive activity. Even those who were not economically active (and many who were) still laboured - usually unpaid - in the private domestic economy of the household and kinship network, looking after children, sick people and the elderly, and engaged in the many time consuming tasks that were essential simply for household maintenance. This is a complex issue (see e.g. Bozalek 1999, Sevenhuijsen *et al* 2003, Hunter 2006); here we will make only four key points.

- 1) **Poverty and the externalization of care work.** Firstly care work and household reproductive labour *impact particularly heavily on those in the poorest sections of society*. The better off can externalize the time and labour costs of care work and household reproductive activity, paying others to cook their meals, and do other maintenance and care activities. In both the Eastern Cape and in Khayelitsha there were particular factors that played a particularly strong role in adding to the burden of care and reproductive work; but these factors seemed particularly onerous in the Eastern Cape, as children orphaned by HIV and AIDS as well as sick adults are often sent to the Eastern Cape to be taken care of. The rigour of rural life also played a role. The burden imposed on rural women by the need to fetch water and wood is widely recognised, but the built environment is also a factor: ‘Mud huts’ in the eastern Cape are living structures that need a ceaseless investment of time and labour and maintenance. ‘Upgrading’ to brick structures and corrugated iron significantly reduces labour time - but it is expensive: this meant that the poorest people also had to spend the greatest amount of effort and energy on simple domestic maintenance tasks.
- 2) **The gendered distribution of care work.** Though it is in practice not the *sole* preserve of women (men did do household reproductive tasks), the 2002 survey shows the gendered distribution of adults who were listed as spending upwards of an hour on given tasks. Women predominated in almost all these activities except for service sector self-employment, agricultural work, and (interestingly) fetching wood.

Table 6: Gender distribution for adults who were involved in a task for more than one hour a day (source: 2002 CPRC/PLAAS household livelihood survey).

Activity for more than an hour a day	Males	Females
Fetching wood	64.77%	35.23%
Searching for work	64.58%	35.42%
Self-employed in non-agricultural related activities	61.84%	38.16%
Agriculture/ food production for someone else	56.50%	43.50%
Caring for sick people	49.72%	50.28%
Caring for disabled persons	49.18%	50.82%
Studying	42.94%	57.06%

Activity for more than an hour a day	Males	Females
Shopping	41.96%	58.04%
Other	25.23%	74.77%
Work in garden to produce food for householders	22.22%	77.78%
Self-employed in agriculture/ food related activities	20.83%	79.17%
Caring for senior citizens	20.59%	79.41%
Fetching water	19.24%	80.76%
Caring for children	13.15%	86.85%
Homework/ Domestic Work (Cleaning and Cooking)	13.01%	86.99%

- 3) **Care work and social value creation:** Thirdly - and this is a conceptual point - *care work and household reproduction should be seen as a significant economic activity*. This is a point often missed by economic attempts to model labour supply decisions in terms of the proverbial notion that people essentially face a choice between waged work and leisure. The story of the way in which Vuyiswa has had to give up her informal economic activity in order to care for her sister's daughter's child shows that this is not correct. In fact, people continually are faced with a wide range of *value-creating activities* in which they can invest labour time; and paid work or informal economic activity is only one of them. *Though care work and household reproductive labour is not paid, it is vital, and requires significant investments of labour time, and should be recognised as a vital form of 'social value creation' that is absolutely central to households' and kinship networks' resilience*. Much of our argument later in this report will focus on what we might call the forms of 'shadow accounting' and reciprocal exchange that shape how care work and household reproductive work are traded and distributed within and between households.
- 4) **Migrancy and care chains:** Finally, we will note that these caring arrangements become particularly crucial in contexts of migrancy. Here, a very useful organizing concept is what Hochschild (2000) calls a 'care chain' - a series of spatial links between people across the globe based on the paid or unpaid work of caring: as when, to use in Hochschild's famous example, 'an older daughter from a poor family [...] cares for her siblings while her mother works as a nanny caring for the children of a migrating nanny who, in turn, cares for the child of a family in a rich country' (Hochschild 2000:131; see also Yeates 2005). Understanding how care chains work will be crucial to our understanding of the organization of 'stretched households' in the Eastern Cape and Khayelitsha, because they play a key role in shaping the way shocks are transmitted, burdens distributed, and vulnerability is managed in the contexts we have studied.
- 5) **Caring labour and livelihood decisions:** All these factors have to be considered when we are trying to understand the ways in which individuals and households (and people in kinship networks) make decisions. The decisions individuals make when they decide to enter or leave the formal labour market are not simply the classical economic choice between labour and leisure. Rather, there is also a very wide range of activities that are neither formal nor informal employment, but investments in the domestic economy of the household(s) of family and kin. Understanding this, and how it impacts on the choices of both women and men, is crucial if we are to

understand who is vulnerable, and who benefits or loses from the complex transactions involved everyday livelihood decisions.

4.2.5 Summary

These general points have important consequences for understanding vulnerability. People's situation cannot be understood by concentrating atomistically on the household or the individual as a unit; cannot be understood outside of a larger trans-temporal and cross-generational timespan, cannot be understood narrowly and economically without reference to the shaping influence of culture or identity. These dimensions are absolutely essential when assessing the vulnerability and the well-being of any individual. Rather than looking at their income stream or their expenditure, or even the assets over which they dispose in any given month, we should look at where they fit into the broader network of social relationships of which they are part, their connections to often distant places and family members, and the agendas which unite and divide the various players and stakeholders in this wider network.

Here, our caveat about the ambit of this study needs to be repeated. The livelihood strategies of all the households in the study are shaped by the fact that they are part of a very particular South African experience, namely that of the migrant labour circuit between the distant rural Eastern Cape and Urban Cape Town. The findings of this study are to some extent therefore distinctively linked to the particular 'vulnerability context' created by the legacy of the Eastern Cape migrant system. Other contexts will be characterised by other dynamics. Yet labour migrancy in one form or another touches almost every context of urban and rural poverty in South Africa, particularly among African households. Though many details will differ, the choices and challenges faced by the people surveyed in this study will arise elsewhere in similar ways. Understanding how people deal with them will have significance well beyond the particular cases of Khayelitsha and Mount Frere.

A second point should also be remembered. Vuyiswa's story is in one sense typical of many of the people and households visited in the study. But in another sense it is quite distinctive. Even among migrants and migrant households there are important distinctions. Although Vuyiswa's case is typical, not every feature of her story can be generalised to every individual and household in the study. As important as showing how her story typifies migrant livelihoods, it is also important to develop a more disaggregated picture and to highlight the important features that distinguished the people in the study and that set them apart from one another.

4.3 Distinguishing among and clustering households: key criteria

The livelihood strategies of households within the study were varied and complex. This complexity is one of the reasons why the assessment of vulnerability cannot depend on a once-off quantitative assessment of the household. Instead, the analysis had to be able to capture the complexity and diversity of household livelihood strategies. Although a qualitative assessment of a household is better suited to capturing the complexity, nuance and subtlety of a household's livelihood strategy it simultaneously evokes another set of challenges. One of the challenges

becomes aggregating a mass of qualitative data to extract patterns and discern differences.

One way of reducing the complexity and diversity of the households studied mentioned is by adopting a ‘medium n’ clustering approach (Davis 2006). This approach retains the capacity of qualitative research to capture nuance, yet aggregates qualitative material into useable categories to be able to see some of the convergences in the data. Although many approaches to clustering analysis are possible, for the purposes of this study clustering criteria were developed that focused on making explicit household’s economic activities and social relationships. Understanding the complexity of the livelihood strategies of the research participants, and contextualizing this understanding within the broader history of migrancy between the rural Eastern Cape and urban Cape Town allowed us to develop very specific criteria for clustering.

In developing a typology of households four key dimensions of differentiation between households were identified:

- 1) Firstly, households can be differentiated on the basis of the nature and extent of their insertion into the formal economy
- 2) A second dimension of differentiation is household engagement with and reliance on informal sector activity
- 3) A third dimension of differentiation is the reliance of households on local agrarian production
- 4) A fourth dimension along which households were differentiated was the quality of the kinship and social networks in which they were embedded
- 5) A fifth and final dimension of differentiation was the degree of well-being collectively experienced by the members of the household.

Within each of these five areas, the study reveals a high degree of differentiation. For the purposes of developing a reliable approach to clustering households, we need to achieve two things:

Firstly, it is important to understand, and be able to communicate, the full range and diversity of differentiation along each of these dimensions.

Secondly, it is important to develop fairly clear criteria on the basis of which households can be clustered. It cannot be assumed that households are simply linearly distributed in relation to these criteria. For example, one cannot adequately gauge the nature of people’s insertion into the formal labour market on the basis of a quantitative assessment of their wages. As important as wages as a structural conditions of people’s employment, this metric would tell us little of the certainty or other conditionalities associated with a wage entering a household. At the same time, criteria for positioning households on any dimension should be relatively objective and straightforward. These are considered below.

4.3.1 Insertion into the formal labour market

There was a very wide range of ways in which households were inserted into the formal economy. There was a continuum, ranging from households where one or more members were in full-time salaried employment, to situations where no member had formal employment of any kind. It is important to note that insertion into the formal labour market had an important spatial component. Even households that had no direct link with the formal labour market often received remittances; and sometimes even the situation of households that currently had neither direct links to formal employment nor were in receipt of remittances, could still be fundamentally affected by *past* links with the labour market. Several households were in receipt of work place pension and a slightly larger proportion received defined benefit retrenchment or retirement packages. For this analysis these were deemed products of the formal labour market insertion.

For the purposes of clustering we deliberately rely on schematic and basic distinctions. We distinguish between three levels of involvement with the formal labour market.

- 1) Firstly, households can have one or more members in formal employment. Formality is here defined expansively and in relation to either the sector or the nature of the employment. For example, a Cape Town domestic worker working for a middle class family would fall into this category. So too would a sub-contractor working on the building site of a formal sector construction company. Although their wages may not be very high and their employment insecure, they are still linked to the economic circuits of the formal economy.
- 2) Secondly, households could have a more distal connection to the formal economy. A more distant family member, with a foothold in the formal sector may for instance be a benefactor to the household, e.g. through sending remittances. In some cases households have formerly had a connection to the formal economy which had now been severed, but are still in receipt of retrenchment, UIF (Unemployment Insurance Fund), provident or pension fund benefits. These households (but not those merely in receipt of a non-contributory state social grant) were counted in this category.
- 3) Thirdly, households could have a very weak or non-existent connection to the formal economy, not receiving provident fund benefits, other private benefits or remittances.

Households are classified according to the highest and most formalised form of employment they are linked to. So a household in which three people do casual labour, and one has access to a formal job, is put in the first category.

Almost half the households in the Western Cape were at the zenith of the scale, having a household member in full-time formal employment. In the Eastern Cape only a fifth (i.e. 20%) of households had a household member in formal employment. With the exception of two cases (a remunerated traditional leader and local teachers) these household members were invariably working in distant urban areas, but were considered members of the households interviewed.

Unsurprisingly then, households with a family member in formal employment were far more common in the urban Cape Town.

With regard to the second category of either more distant kin benefactors in formal employment, or household members formerly (i.e. historically) engaged in formal employment, roughly half the households in the Eastern Cape and a quarter of the households in the Western Cape fell into this category. The Eastern Cape sample included several pension receiving breadwinners who had exited formal employment.

In terms of the final category of households that are minimally connected or entirely disconnected from the formal economy, approximately a quarter of the households at both sites fell into this category. Anecdotally, the Western Cape sample contained at least two households where the breadwinner had recently lost a formal sector job (i.e. level three - no formal employment recorded) only to regain formal sector employment towards the end of the fieldwork period. However the research design was not orientated to comparing or tracking these kinds of dynamic changes. Finally a comparison with the 2002 data also suggested that roughly a quarter of households had experienced changes in labour market status. In several cases it appears as though formal employment had been lost.

4.3.2 Informal sector activity

There was a very wide range of informal or self-employment sector activities. They ranged from fairly well remunerative forms of self employment (e.g. running a well established shebeen or spaza, driving a taxi, dressmaking) to much smaller, survivalist enterprises (home based fruit and veg, preparing smilies) the provision of services and care work (child minding, laundry, etc). At both ends of the scale, the boundaries were often blurred: some forms of formal employment are increasingly becoming informalised; on the other extreme there are forms of work and labour that are all but indistinguishable from unpaid domestic care work.

Clustering households entails a process of oversimplification, households are again classified according to the most lucrative, most remunerative category. Although there are often household level synergies between formal and informal activity this measure of informal sector activity was coded independently of the previous one (viz. 'Insertion into the formal labour market').

- 1) One or more household member is self-employed in an informal business with significant turnover, or in a specialised sector that requires significant skills (e.g. dressmaking, taxi driving or a successful tavern)
- 2) One or more household member is self-employed in a 'nano' enterprise which is often poorly distinguished from the domestic economy of the household, or is involved in informally providing services or labour (child care, laundry, mud brick making, sex work etc). In terms of operationalizing this category, informal economic activity had to be remunerated (even poorly). Hence unpaid favours or exchanges were not included in this category.
- 3) No household members are involved in any remunerated (however poorly) informal work whatsoever. This category does not include food grown for

household consumption, which is the subject of a separate metric altogether.

There were higher levels of larger scale, potentially lucrative, level one, informal economic activity in urban Cape Town (roughly 17% of households). In the rural Eastern Cape only a single respondent (approximate 5%) could be judged to engage in significant, lucrative self employment. More survivalist level two 'nano' enterprise type informal economic activity was relatively common, with approximately 60 % of households in the Eastern Cape and 38% of households in the Western Cape falling into this category.

With regards to the third category of no or negligible levels of informal economic activity at all roughly 35% of households in Mount Frere and 45% of those in Khayelitsha fell into this category. In the rural Eastern Cape there was evidence of varying degrees of agrarian production which for the purposes of this definition are not classed as informal economic activity. Of the large proportion of households falling into this category in the urban Western Cape, many had a household member engaged in the formal economy (e.g. working as a building sub-contractor or domestic worker etc).

4.3.3 Links with the agrarian economy

Households differed widely in the nature of their reliance on the agrarian economy; this differentiation was marked in the Eastern Cape households. The survey indicated that a large number of households were involved in agrarian activities of some kind. Even poor households could still invest significant amounts in livestock. Often these agrarian activities were quite marginal, but on occasion they would represent significant investments of time and money. Criteria for clustering differentiate between three categories as follows:

- 1) Households with significant investments in agrarian activities, in other words, they still plough the '*intsimi*' (large planting fields, seldom adjacent to the homestead) either with a tractor or with cattle, or that have significant numbers of cattle (5 or more).
- 2) Households which have less than five bovine LSUs (livestock units), but have smaller livestock, and that do limited planting in a garden plot (often fenced and adjacent to a homestead). This category is not only defined by assets, but also activities. A few households owned neither livestock nor had access to a fenced garden plot, but were regularly involved in co-operative work parties or community agricultural projects. If these activities generated solid outputs these respondents are included in this category
- 3) Household which are not directly involved in agriculture at all.

Agricultural production was recorded only amongst the households in the Eastern Cape. Although a single householder in urban Cape Town reported some agricultural activity, it was insufficient to satisfy the criteria of category two above. Of the Eastern Cape households a quarter (6 of 24) reported substantial levels of agricultural activity, they possessed more than 5 head of cattle or, more commonly, cultivated the expansive planting fields. Almost half (11 out of 24 households) reported some level of agricultural activity (as per definition two), with fewer than five livestock or cultivation limited to a homestead garden.

Finally almost a 30% of households (7 out of 24) reported no or negligible levels of agricultural activity.

4.3.4 Kinship networks and social capital

Households showed a striking range of differentiation in terms of their insertion into kinship networks and the degree of social capital they were able to mobilise. Households can be distinguished in terms of the extent to which they are linked into broader and expansive kinship and social networks, or alternately marginalised within them. Criteria for clustering households sought to distinguish between those households that are well located within social and (often primarily) kinship networks and those that are disconnected, more isolated or atomised.

- 1) These households tend to be well located in terms of social and kinship networks. They report the existence of these links and could readily describe exchanging benefits (material and otherwise) within them.
- 2) Secondly these households are slightly less well positioned in kinship and social networks. In a few cases households have either been excluded or opted out from the circuits of kinship based patronage. These households have generally then either constituted themselves in relationships of modernity, forging friendships and non-familial based alliances, or they would have descended into the third category below.
- 3) Thirdly, these households presented as relatively atomised and disconnected either from kinship or other kinds of social networks. The research turned up few linkages and limited evidence of help received from others.

Approximately equal proportions of Eastern and Western Cape households fall into categories one and two above. Half of the rural Eastern Cape households and 42% of the Western Cape households are comparatively favourably located in kinship or social networks. A similar weighting of households fall into category two, the 'slightly less well positioned in kinship and social networks' category, with 41% and 47% of Eastern and Western Cape households, respectively. It is perhaps the third category of households that is the most interesting in terms of vulnerability. These are the 2 households in the Eastern Cape and 2 households in the Western Cape (i.e. >10%) that are relatively atomised and disconnect from both social and kinship networks.

4.3.5 Household well-being

A final measure of differentiation that was developed and applied was a measure of household level well-being. Well-being is a complex concept and often defined in quite disparate disciplinary terms. For the purposes of this measure, well-being was judged in rather broad terms, as a composite value encapsulating the material conditions and assets of a household and, importantly, the absence of conspicuous deprivation in terms of basic human needs such as shelter, food and medical care. This somewhat subjective measure of household well-being is by no means unproblematic, but its usefulness in identifying vulnerability at household level far outweighs its definitional problems.

Two further clarifications are in order there. The first is that, within the pragmatic limits of the fieldwork, household well-being was judged holistically at household level. Each household was rated as a unit by the research team, with care not to lose sight of the most marginal or vulnerable members within it (i.e. children, the elderly, the infirm, women). Secondly, the well-being measure is, to a larger extent than other measures, a norm-referenced and relational metric. Extensive fieldwork made it possible to judge households relative to a local norm.

1. The members of these household experience, relative to local standards (and bearing in mind the households inclusion in a sample of poor households), a comparatively solid level of collective well-being. The household has access to sufficient material resources to satisfy its member's basic human needs. Household members at this level were generally free of gross material deprivation or conspicuous, curable medical ailments.
2. The members of the second, middle, category experience more marked deprivations than the members of the preceding group. In most cases there are fewer material resources than the preceding group, but in few specific cases adequate material resources (relative to a local norm) are not necessarily translated into household level benefits in terms of absence from gross material deprivation. Household members at this level would sometimes have most their material needs satisfied, but be the subjects of insecurity, criminal victimisation or violence.
3. The third and final level of well-being includes those households that were judged to be amongst the most grossly materially deprived. They may in many cases also suffer from ill health or be the victims of violence but their gross material deprivation was often the most salient criteria.

Approximately a third of households in the Eastern Cape and a fifth in the Western Cape were judged to be on the highest tier of household well-being, as operationalised above. Approximately 45% of Eastern Cape households and 63% of Western Cape households experienced some form of deprivation which prevented them from being classed on the high rungs of the well-being ladder. Four households in either site (constituting approximately a fifth of the sample) were judged to be conspicuously materially deprived or experiencing factors which significantly eroded individual well being at the household level.

4.4 Clustering households and identifying vulnerable groups

Clustering household on the basis of these criteria reveals a significant amount of spread. Variables are not very tightly correlated. Yet at the same time, there seems to be some correlation between households' overall well-being, the extent to which they benefit from connections to the urban economy, and the extent to which households are part of a well developed, well connected and co-operative kinship network. The clustering of variables suggests that it is possible to create a broad typology of the households in the study. These are discussed in what follows, along with illustrative examples.

4.4.1 Urban-disconnected rural households

Firstly, a small number of households in the rural Eastern Cape were what we could call urban-disconnected rural households. These are households that have not managed to successfully use migrancy to find connections with the formal economy. These are often households where attempts to use migrancy have failed, or where urban connections have been lost. Such households were typically female headed, and were typically quite poor, with minimal participation in agriculture, and were often not linked to any broader kinship structure that provided them with entitlements to remittances or other resources. Often they relied very heavily on pensions, and did not dispose over the resources (labour or monetary) required for heavy investment in agrarian activities.

Case Study 9: Chuma Mfako - let down by her urban kin.

Chuma Mfako's household was amongst the poorest and most marginalised in our sub-sample of Eastern Cape Households. Resident in a 'location' or (sub-village) of the deep rural village of Phuzayo, it is in an area where the scrubby grassland of the main village makes way for a drier and less hospitable landscape, densely strewn with rocks. Chuma's home in this location consists of two small mud block structures (a cooking hut and sleeping hut) unbounded by a fence and sparsely furnished with old furniture. Alongside these two structures are the ruins of a third collapsed rondavel. Chuma's sole source of regular income is a single child support grant, which she augments with laborious and low paid informal work within the village. Her small income and the absence of any urban remittances, positions her amongst the poorest households in our sample.

Chuma was also noteworthy for another reason. Most respondents, once their initial apprehension and suspicions dissipate, warm to the task of relating their personal narratives. Despite the social distance between the research team and interviewees, the mere presence of visitors who travelled far, sought them out and proceeded to listen with rapt attentiveness, usually elicits surprisingly candid and detailed narratives. Chuma however proved to be a reticent interviewee; she retained an impassive and distant demeanour over the course of several visits.

This passivity seemed to infuse other aspects of her life. It was manifest in incidents such as her inaction after a tractor struck her hut. While obstinately waiting for the owner of the tractor to repair damage that she herself could repair, livestock gradually entered the hut and consumed her entire maize store. A similar indifference was reflected in her unwillingness, quite uncommon in the area, to do any preparation of the house in anticipation of a Christmas family reunion. However, understanding the micropolitics of Chuma's place within her kinship network made this resistance and her inaction far more comprehensible.

In terms of the history of the household, there was little continuity between the 2002 survey and our 2005 return. Chuma was absent from the household in 2002, which was documented as consisting only of Chuma's three year old daughter, a 15 year old nephew and 69 year old grandmother. By 2005, Chuma's grandmother had died (shortly after the 2002 survey) and nephew had relocated to Cape Town. The sole continuous member of the household was Chuma's preschool aged daughter. By 2005 this young child was joined in the house by Chuma (i.e. her mother) and two of Chuma's children other small children (a nine year and one year old infant).

The 2002 death of Chuma's grandmother was followed by the 2004 death of Chuma's mother. These successive deaths were the catalyst for her occupation of the house. The decision for her to move in was reportedly taken at a family gathering, with her three Western Cape based brothers. Chuma, however, readily admits to not liking village life, finding it difficult and tedious. Yet she is already burdened with three young children to look after and with slim prospects of urban employment or marriage, her designated role was to look after the house. Maintaining the family's foothold homestead in the village, Chuma's brothers were to remit money from their urban employment. It is in the terms of this pact that the seeds of her current predicament were sown.

Over the course of several interviews, from a range of sources, two facts gradually became apparent. The first is that her brothers are not strictly speaking her brothers, but rather cousins. The second is that her 'brothers' have reneged on the agreement and are not sending back any remittances. It is unclear to what extent these two elements are intertwined: Chuma's more distant kinship may well be undermining her claims to support.

Chuma is therefore in a position where apart from the sole child support grant received for one of her children (she lacks documents for the other children), she manages to subsist through difficult physical work, and network of village based benefactors. Chuma's manual work consists of either making sun dried mud bricks or plastering structures with a mixture of cow dung and mud. These two services have a readily quantifiable monetary value. Chuma charges R100 for 100 mud bricks and R200 to plaster an average sized 'flat' (rectangular hut) or rondavel. (Although the price for plastering often appears negotiable downwards). She also occasionally does domestic work within the village or brews beer on request. Including the child support grant, it is unlikely that Chuma's income exceeds R400 a month. Instead it is her small network of benefactors within the village, all of whom are female and have longstanding linkages to her household which help sustain her and her children.

The first is the 61 year old Siphokazi who is distantly related to Chuma's family via marriage. In terms of village level stratifications Siphokazi's family is relatively prosperous, her husband having toiled for his entire working life in the formal economy (a long service certificate from AECI is proudly displayed in their reception room). Siphokazi was a contemporary of Chuma's deceased grandmother and her family has historically been an important set of benefactors to Chuma, her mother and grandmother. When questioned, Siphokazi explained Chuma's family have 'always been poor'. She attributed this to the early death of Chuma's grandfather and recalled how by the late 1960s Chuma's grandmother was already widowed and struggling to raise her two children. Siphokazi and her husband paid for the initiation ceremony of one of Chuma's brothers, she recalled. They also gave up the small homestead currently occupied by Chuma to Chuma's grandmother, when she was one of the last households to move into the current village in the 1960s under 'Betterment' (compulsory villagisation).

The second important set of benefactors to Chuma is the household of the late chief. The chief's widow, a 77 year old member of the village elite lives in a sprawling eight structure compound. Fluent in English, and having worked as a professional nurse (she established the village clinic in the 1950s), the chief's widow was friendly with Chuma's late grandmother. These circuits of patronage have been retained and Chuma occasionally does domestic work for her, or helps in preparation for traditional ceremonies. These exchanges are not strictly remunerated and defy easy description. Sometimes Chuma is paid for a specific task, but more usually her labour is met by the charity of food, household consumables, clothes (old and new) and even an old cell phone. This beneficent network extends to the daughter of the late chief, who resides in Durban. Holding a senior managerial position and a PhD, she spoke approvingly of Chuma as a 'diligent worker' and wryly noted that 'Chuma know all of my mother's tricks'. The chief's daughter explained Chuma's reluctance to repair the house by explaining Chuma's eldest brother would have first claim to it anyway. It is for this reason,

the late chief's daughter explained, she has been encouraging Chuma to build her own home. She has even offered to buy the corrugated iron roofing if Chuma would erect the walls. Marginalised within her kinship network and poorly placed to contest her marginalisation, Chuma has hence abandoned the ceaseless labour of maintaining the homestead.

The final benefactor to Chuma's household are a female cousin and aunt, related to Chuma by marriage. They clarified that Chuma's biological mother was not the woman who died in 2004, but rather died many years ago and suffered the terrible indignity of an anonymous pauper's burial in KwaZulu Natal. Chuma's cousins in the Western Cape, they explained, do not help. These women assist Chuma with child care, or by giving her mielie meal and candles. She reciprocates by going to the shop for them or disseminating news of their traditional ceremonies. They render no other assistance for they are poor, they explained. Although, the aunt dimly recalled, Chuma did give birth to her last child in this very rondavel.

4.4.2 Urban-connected rural households

Secondly, a significant number (roughly 60%) of Eastern Cape households were what one could call urban-connected rural households. These were households that, while being situated in the deep rural areas, either have a long history of urban connection in the past, or had connections with kin in the urban areas in the present. Such households were typically better off, and could at times invest significantly in agrarian activity: every household that was heavily involved in agrarian activities was also well connected to the urban centres or had a strong connection to the urban economy. Such households were also typically organised under the domination of a strong patriarch (or, more rarely, a widow/ matriarch).

Case Study 10: Rural wealth built on urban wages: Kwanele Ngubane, Phuzayo village

The village of Phuzayo is a distant two hour drive on unpaved roads from its nearest town or tarred road. In the village one finds the neatly fenced compound of Kwanele Ngubane and his extended family. Tall, bearded and with the countenance of a biblical patriarch, the dignified Kwanele welcomes visitors into his residence. The homestead consists of two sturdy zinc roofed hexagonal huts and a large, rectangular multi-roomed house. The verandah and front façade of the house is clad in red face brick, offering visual respite from the raw mud or the dusty pastel shades that often adorn homesteads in the former Transkei. The expensive clay brick, rather than economical concrete or even cheaper mud blocks, proclaims the home owner a person of above average means within the village. The busy compound is marked by signs of agrarian activity – a livestock pen with fresh manure on the floor, a fowl run of chickens, big leafed spinach, creeping pumpkin plants and a well fenced field with tall green mielies. At the far side of the homestead a rock (about the size of a microwave oven) is suspended from the stout branch of a tree, twisted at the bottom of a mass of leather strips (or 'riempies'). It is testament to a seldom practiced craft, rendered increasingly redundant by inexpensive nylon rope.

In the lounge-like reception room, furnished with modern furniture and a small TV and DVD player powered by solar panel charged batteries (as the village is not electrified), Kwanele and his wife recounted the history of the household. Kwanele left the village in the late 1960s and worked in a gold mine before, like many in the village, joining Iscor in Vereeniging. Successive one year contracts made way for a permanent position at Iscor in the 1980s. An engaging interviewee and speaking mostly in the Afrikaans he learnt at Iscor, Kwanele

recounts how his employment prospects changed after 1994. He was promoted to a 'process controller' (essentially a skilled machine operator) and no longer laboured manually on the factory floor. However his upward employment trajectory was limited by his standard 6 education, and finally dashed in 2004 when the 54 year old was retrenched.

Kwanele and his wife reminisce over how he used to remit R40 a month in the mid 1970s, an amount which became several hundred rand a month and payment of all the bills towards the end of his employment. During this time they built the two rondavels and the large house. Of his comfortable final salary (his monthly salary peaked sharply at around R12 000 a month) and retrenchment package, Kwanele has invested heavily in the education of his nine children. Two children are currently in matric and another two are studying for tertiary level diplomas, either in the regional centre of Mthatha (Umtata) or in Gauteng (where one son joined Kwanele for his secondary schooling). From his retrenchment package Kwanele sends a total of R1 650 for subsistence to his various children every month, apart from the other expenses.

Resident at the homestead is a fifth adult son, with learning difficulties and little formal education. Kwanele attempted to establish this son in a shoe repair business, a venture interrupted by the son's recent unsuccessful work seeking migration to Cape Town and Johannesburg. Also resident at the homestead are four, younger teenage children, along with a grandchild born to one of these children. Finally also included in this household of thirteen dependents, are two of Kwanele's adult brothers (one in his mid thirties and the other middle aged). Kwanele characterised one as a dissolute drunk, and the other as mentally ill, but he has resigned himself to supporting them. After all, Kwanele explained, they are his brothers; he cannot withdraw his support from either of them.

Dynamic and hardworking Kwanele has busied himself with agricultural production since his return to the village. (He was frequently toiling in his garden during our visits). He recounting harvesting over twelve bags (50kgs) of maize last year and has seven head of cattle, along with 10 sheep, 14 goats and chickens. Kwanele nurses further agrarian ambitions. During the course of our fieldwork he planned to travel to Kokstad to confer with a white commercial farmer about improving his bovine bloodstock and expanding his herd of cattle.

Kwanele's recent relocation to the village has not however been without its tensions. Producing a tidy surplus of vegetables that he is keen to sell (we bought spinach from him a few times); Kwanele's intention to earn a little income from his agrarian efforts runs contrary to a logic of village communalism and reciprocity. So when villagers report being unable to pay his price for his large bunches of spinach, Kwanele retorts by asking what they are willing to pay - in what is often a mutually unsatisfying exchange. Kwanele is highly critical of what he describes as dependency and idleness within the village. Furthermore like many local elites, he is deeply moralistic. Holding a prominent position in the local Zion church, Kwanele's opposition to drinking and drinkers, his disappointed at his unwed daughter bearing a child, his old testament disavow and disgust of pigs (when enumerating his livestock), all pointed to this. At the conclusion of a two hour interview, than stretched well past sunset, we asked to what Kwanele attributed his success. Kwanele described at some length his religious faith, his eagerness to learn, his mastery of Afrikaans (and some English) at Iscor and the fact that he never squandered his earnings on costly urban 'girlfriends'. They detract from ones ability to remit money, and build the homestead, he counselled.

4.4.3 Rural-connected urban households

Thirdly, in the urban context, some households can meaningfully be grouped under the heading of rural-connected urban households. These are defined by the fact that they continue to have strong connections to rural areas. Some such households would be remitting money to rural connections or investing in rural land, housing or cattle; there could be a significant exchange of resources with rural kin and significant amounts of travel to and from the Eastern Cape, with close family members (particularly children) often spending significant amounts of time in the care of rural kin. Indeed, the provision of care and care networks by rural kin for urban dwellers was a surprisingly strong theme. Such households typically also had a strong patriarchal structure and were almost per definition part of a strong and extended kinship network. They would often be moderately well off and never be desperately poor. Together, the second group of households and this group seemed to constitute the urban and rural ends of a well developed internal migration strategy, the end purpose of which was investment back into rural status. The households of Madoda Simani and that of Vuyiswa Magadla, both described in the first case study in this section, are both cases in point.

4.4.4 Rural-disconnected urban households

Finally, there were what we could call urban based, rural-disconnected households - households characterised by the lack of strong connections to the rural areas, for whose livelihood strategies rural connections were not particularly important, or who had lost or turned away from their rural connections. This was a very variegated group. Some of the households in this group could be successful urban immigrants, who had established a foothold in the urban economy and who had no intention of returning to the rural areas. Their rural hinterland was important to them insofar as they still had strong sentimental connections to kin, and they might sometimes still remit money or visit (usually for Christmas or funerals), but they would not be making significant investments back into the rural areas, and they would not rely heavily on the social support (child care, etc) of rural connections. (The study contained no very strong examples of such households partly because Khayelitsha Sites B and C are settled primarily by recent migrants. Households of this kind would be more prevalent in areas like Gugulethu and Langa. The research team's local fieldworkers, Sibongile Mtini and Zuko Ndamane, both belonged to good examples of such households). Other households were in an entirely different situation: typically female headed, they seemed to be 'caught between a rock and a hard place' - households characterised by the fact that their heads or breadwinners had not managed successfully to find good employment or a strong foothold in the urban economy - but who had scant opportunity to return to the rural areas, and could not rely on an extensive kin network to buffer them. Along with the rural 'urban-disconnected' households, these households were among the most vulnerable and marginalised in the study, manifesting significant poverty and ill-being.

Case Study 11: Living with few allies in Khayelitsha: Nomsa B, Site C Khayelitsha

Two things stand out above all about Nomsa B's household. Firstly, that she is clearly one of the most marginalised and impoverished of the informants visited by the team in 2005 – and secondly, that it is very hard to find out anything except the most basic facts about her life and

her situation. Both these features seem to be related in some way to another important fact about Nomsa – her deep, indeed troubling, passivity.

Nomsa (43 at the time the team visited her in 2005) is the head of a household composed of herself and her children: Lulama, about 26 years old, one of her children from her partnership with her first boyfriend, one Robert ‘Tshepo’ Memela (who was apparently shot dead in the street in a mistaken hit in 1990 as part of a taxi conflict – even though he was not involved in the taxi business during the taxi wars) and Vusumsi (10) Thumi (6) and Andile (2), her children from her current boyfriend Themba. In both the 2002 survey and during the 2005 project she presented as extremely impoverished, getting by on child grants for Thumi and Andile and on the income she makes from cooking and selling smilies (see the case study on p. 98 below for a more detailed description of her informal business). In the 2002 survey she is recorded as reporting serious food insecurity, going hungry for nine months in the year, and owning no listed assets other than some chickens (there in 2002, gone in 2005), a primus stove and a radio.

A visit to her extremely dilapidated shack confirms this impression and presents the visitor with a picture of extreme degradation. Nomsa’s shack is invariably dirty and untidy, smelling strongly of unwashed bodies, paraffin, wood fires and raw meat: piles of sheep’s heads and goat’s feet are often as not piled in unsanitary heaps on a disused kitchen dresser outside. Food particles are thickly strewn over the floor; ‘umqhomnboti’ (traditional sorghum beer) is brewing in unsanitary-looking plastic containers; Nomsa herself is wearing dirty and ragged clothes. So is her two-year old son Andile, who is usually dirty and unkempt, his nose running, and his face encrusted with mucus, often disconsolately wailing for attention (which is apparently the source of her rather harsh nickname for him - Konstina, meaning ‘Concertina,’ an appellation that earns much mirth from the other children in the street).

Below this surface it is uncommonly hard to penetrate. Nomsa is a difficult subject to interview, failing to keep appointments for interviews time after time – sometimes she’s simply not at home; at other time she is home, but with her drinking friends – and when she does participate in an interview she does so with single-word or one-sentence replies. She strikes the team as reticent; sometimes shy and sometimes sheepishly evasive; and when she recounts traumatic incidents, such as the death of Robert, she does so without any obvious affect or emotion. When her female friends are present, she seems happy to let them answer on her behalf – sometimes with confusing results. During the first interview in 2005, for instance, her friend Vuyelwa, who runs a nearby crèche ‘helped out’ with the interview at great length, explaining to the team how not only Robert had been shot in the taxi wars, but how Nomsa’s second boyfriend Themba had died recently of multiple-drug resistant tuberculosis (she pronounced the acronym, MDR TB, with convincing authority). It was only much later that the team realised that Themba was in fact alive and well and living in Site B. When asked why Vuyelwa could get things so wrong, Nomsa later simply replied that she did not know why Vuyelwa was so confused, and did not explain why she made no attempt to correct her. This is not an isolated misunderstanding: many crucial details of Nomsa’s existence seem to disappear in a fog of unclarity. In the 2002 survey, for instance, she did not report any informal economic activity, declining to list herself as self employed and failing to mention any income from informal economic activities, even though the team was able to establish in 2005 that she had been selling smilies at the time. Also omitted from her account of herself in 2002 *and* 2005 is the fact that she does seasonal work as a farm labourer. Other facts are even harder to fathom. There are indications that Nomsa is HIV positive: pamphlets litter her house from a herbalist who professes to be able to help with the disease; and when she can pay, Andile sometimes spends time at Vuyelwa’s crèche for children with HIV positive parents. But when Nomsa talks about the times that she has been sick, she does not wish to say what is wrong with her, and Vuyelwa is at pains to point out that Andile comes to her crèche as a special favour, not because of his mother’s HIV status.

Perhaps most surprising is the fact that Nomsa appears to be part of a family that is not nearly so badly off. Her family in the Eastern Cape has a big homestead; they own livestock (five head of cattle, 20 sheep, more than 20 chickens and three pigs – an accumulation of livestock that would put them into the upper decile of livestock ownership in Mount Frere), and ploughing fields, and have enough money to pay for a tractor to plough those fields. At the time of the project, in fact, Nomsa was worried about her son Vusumsi, who was starting to ‘run wild’, staying away from school and getting into trouble. She was making plans for her mother to take Vusumsi away from Khayelitsha to stay with her. But Nomsa herself said that she did not visit the Eastern Cape any more, and that she did not really keep in touch with her family. In fact, other than her relationships with her two friends with whom she ran the ‘smilie’ business Nomsa appeared quite isolated. Unmarried, with six children, one dead partner and one apparently estranged one; she has no prospect of ‘marrying into’ a household where she will be taken care of. Her parents could help her by taking care of her children, but other than that she has burned (or simply lost) her rural bridges – while establishing only the most fragile beach-head in the urban economy, leading an existence apparently plagued by illness and a dull passive depression, eking out a living doing some of the most menial and ill-paying work in the informal economy.

It is interesting to note the similarities between Nomsa and Chuma’s situation. Both are female headed households marginalised within kinship structures and with multiple children. They also presented themselves to the research team in strikingly similar ways. Over the course of several visits Nomsa and Chuma both appeared passive, emotionally blunted and even fatalistic. Both case studies suggest these traits were displayed not only in relation into the research team, but also infused other aspects of their lives. Their passivity poses at least two complex research problems.

In the first place their reluctance to fully co-operate with the research team made it hard to delve deeply below the surface, and fully understand their lives and livelihoods. Although neither Nomsa nor Chuma explicitly declined continued participation in the research project, their passivity, vagueness and perfunctory engagement with the research team was strikingly different from the norm of other research participants. Their litany of unkept appointments, deferred meetings and perfunctory monosyllabic answers recalls the title of J.C Scott (1985) “Weapons of the weak” and the often implicit (rather than overt) tactics the marginalized sometimes use to resist power. This passivity and disengagement is of methodological interest because it potentially points to the limits of the life history methodology, particularly when dealing with extremely marginalised research participants. It is also reminds researchers (such as ourselves), of the need to remain attentive to the steep gradient of power and authority that exists between researcher and researched - and its possible impact on research findings.

Secondly, there is the challenge of explaining the exact nature of the link between Nomsa and Chuma’s passivity and their poverty. It is tempting to see passivity as playing a causal role - to understand these two women as the authors of their own marginality. However the converse is equally plausible: it is as possible that their disengagement and passivity could be a result of their rather dire material circumstances and meagre kinship connections. Although it is perilous undertaking to ascribe clinical labels to people in the absence of a formal assessment, one of the research team (who is trained as a psychologist) noted both women appeared to display several of the characteristics associated with depression. Yet once again, this label obscures more than it reveals. Depression, like most mental

illness, is the product of a complex interplay of individual pre-disposition, life experiences and adverse environmental factors. We know, with confidence, the later two are present in these cases. And even though their passivity and lack of cooperation cannot be said to be the cause of their marginality, the immobility brought by such depression may very well harm their chances of getting out of their difficult situations.

4.5 Discussion

In this chapter, we have started the process of uncovering some of the complexity of the livelihood strategies explored for this project. Starting with a brief discussion of one case study, we highlighted some of the crucial *general* features of livelihoods of people living in migrant networks in Khayelitsha and the Eastern Cape. This discussion also touched on some methodological issues, highlighting how the research strategies used had helped the team get beyond the limitations of a purely quantitative survey. The latter section of the chapter discussed in some detail some of the important differences between households and developed a proposal for how these households could be clustered. In particular, it highlighted the importance of paying attention to the networks that connect households to distant localities, and the ways in which disconnection, or marginalization within connection, can be linked to vulnerability.

This clustering obviously has some clear implications for the consideration of vulnerability. Most obviously, it suggests that we should look particularly closely at the situation of households that are 'urban-disconnected' and 'rural-disconnected' along with the factors that shape their situations. It also provides some initial pointers for key issues that need further investigation.

In the first place, it highlights the importance of intra and inter-household relationships and the ways in which these function to organise overall livelihood strategies. Here, kinship is absolutely central. Kin connections of one kind or another - especially close kin - are the links that join rural and urban households to one another both within and between regions. Secondly, the social organisation of kin relations also plays a central role in underpinning - or undermining - livelihood choices *within* households. This is not merely a point about the distribution of resources or the organization of labour. One key component of success for successful households was the way in which the structures of authority and co-operation within a household functioned to make it possible for a household to act in a relatively organised manner, leveraging their resources in ways that sometimes made the whole more than the sum of its parts. We shall consider this in more detail later. Kinship entitled people to resources within a household, but it was also a connection on the basis of which claims could be made. Part of the power of a rural patriarch or a matriarch was their ability to have a significant say about who did what within a particular household. A significant part of our exploration of vulnerability therefore has to include a very careful look at the internal politics of this process -and at who is empowered, and who is disempowered within it.

Secondly, this broad typology should highlight the importance of understanding livelihood strategies within a long term strategic contexts. The livelihood activities we consider here and the broader strategies, of which they are part, are in an important sense not merely focussed on day to day survival or even on coping with risk, smoothing consumption and so on. They also involve an attempt to strategise at a life span, generational and even inter-generational level. It is important to

remember that livelihood strategies unfold over time; that different people are at different points in the overall trajectory of migrancy and household development (and that their interests and needs will therefore differ); and that strategies can fail at various points. As Spiegel *et al* point out, it has long been established that a vital role is played by where people are in what they call the ‘domestic developmental cycle’:

... the behaviour of people at every phase of the cycle indicates the extent and way in which they are locked into reciprocal networks of mutual long-term support - either as providers of remittance income or dependants on it in return for access to rural resources that are both material and social and that are understood to form the basis of post-employment reciprocity. The residents of newly established... housing areas that we interviewed were not immediately concerned to ‘massage’ such networks. But there was a sense in which they themselves saw their apparent individualism as just temporary: once they had indeed secured themselves reliably they expected to open their doors more readily to others.”(Spiegel et al 1994)

But the point is not only that livelihood strategies unfold (and sometimes fail) across the span of lifetimes. It is also that they happen *in history*. This raises a troubling reality - for it seems that the economic underpinnings that sustained circular migration are gone. Recent scholarship seems to indicate that the character of migration is changing, that remittances are declining. While for some, ‘circular migration’ in the classical sense - a stint in the urban areas followed by retirement in the rural areas - is still possible, but for many that possibility is receding. Many of the Eastern Cape households in the study that had access to some resources were essentially living off past savings - either in the form of accumulated cattle, or in the form of a rapidly consumed retrenchment or provident fund package payouts. There is no evidence that young people in search of work have any chance of duplicating the ‘back investment’ strategy of their parents. This has troubling long term implications for both economic and social policy. Many of the difficulties experienced by rural and urban disconnected households will only become more extreme, and the ability of agrarian economy to subsidise urban livelihoods and cushion vulnerability will decrease.

These points together highlight the stakes of the debate around social protection. It helps provide the social context for the vulnerability of some of the groups (e.g. female headed households). But more importantly, it raises some urgent questions about the interactions between social grants on the one hand, and broader questions about economic development and poverty alleviation on the other. On the one hand, it is clear that in the context of declining remittances and the collapse of institutions like traditional marriage, pensions and child grant play an important palliative role, reducing the severity of poverty and ameliorating its worst impacts. But for poverty to be reduced in any real sense, economic development has to create jobs that allow people to get out of poverty and participate effectively in the economy. We need better to understand what the contribution of social grants in that context is, and what the other factors are that need to be taken into account if grants are to be anything more than a temporary way of making poverty sustainable.

This raises some important questions:

- 1) What is the nature of the broader economic context that enables or disables livelihood strategies in these areas?

- 2) What are the forms of vulnerability that people encounter in these contexts?
- 3) How do people deal with these forms of vulnerability?
- 4) What is the role of social grants and transfers within these networks?
- 5) What are the factors that impact on how people make decisions about key issues, e.g. grant use, investment in education, which could impact on their ability to escape from poverty?

Answering these questions requires that we step back from the characteristics and activities of the households in the study and consider the broader economic context.

5 CONTEXTUALISING VULNERABILITY

5.1 Beyond the ‘second’ economy: understanding life at the margin

Much of the remainder of this report will be devoted to a detailed exploration of the strategies that people have developed in order to survive, reduce vulnerability, and even get out of poverty when they exist outside or on the very edges of the formal labour market. First, however, it is important to better understand the most important features of what in ‘livelihoods framework’ parlance is called the ‘vulnerability context’ - the meso and macro level *structural features* that shape many of the choices that are open to individuals and households in their pursuit of a livelihood. This section therefore sets out some of the key economic realities facing the economically marginalised in Khayelitsha and the Eastern Cape.

In recent years, the issue of *structural poverty* – for a while rather disregarded – has again entered the mainstream of South African social policy debate. There has been increasing attention on the prospect that, while the economy as a whole has shown significant growth, certain groupings may have ended up being ‘socially excluded’, unable to benefit from the opportunities that arise. Some scholars have even raised the prospect that sections of South Africa’s unemployed may constitute an ‘underclass’, so thoroughly disadvantaged by poverty, educational neglect and the lack of significant assets that they risk being permanently left behind (Seekings 2003, Seekings et al 2003).

Since 2003, these concerns have also been articulated very strongly by government. The dominant way in which these issues have been framed is with reference to the notion of a ‘second economy’ - the notion that the persistence of poverty for many in South Africa is explained by the fact that they are excluded from the ‘first world economy’ and subsist in a underdeveloped, informal economy, existing alongside but disconnected from the economic mainstream (Mbeki 2003, PCAS 2006).

This should be seen as an important advance in official policy discourse - a recognition that left to itself, the economy will not necessarily allow benefits to ‘trickle down’ to all, and that there may be important *structural* aspects to poverty that make it impossible for the poorest and most marginalised to lift themselves up by their own bootstraps. At the same time, some scholars have pointed out a need for caution. There is a risk that ‘second economy’ talk could herald a slide back into the economic dualism that characterised 1970s South African liberalism - a tendency to conceive South Africa in terms of a ‘successful’ mainstream and a problematic periphery, coupled with a failure to see how the two are in fact intimately connected. As a matter of fact, pointing out this error was for years one of the main elements of the ANC’s critique of South African liberalism (Devey, Skinner & Valodia 2006:2). It is important that these points are not forgotten. Though the notion of the ‘second economy’ may be an attempt to highlight the distance between the ‘insiders’ who are able to participate with benefit in the South African economy and the ‘outsiders’ who face major obstacles to such participation, it is important to go further than oversimplified notions of simple disconnection and exclusion, and to look in more detail at the exact nature of the real relationships and modes of articulation between the highly developed

corporate ‘centre’ and the economic margins where people are confined to low-return informal activity and unemployment (Du Toit 2005).

This chapter begins with a relatively general and brief discussion of the economic context of poor people’s livelihoods in two very different regions: the rural district of Mount Frere, and township life in Khayelitsha. This is linked to a discussion of some of the key similarities and differences between the urban and rural contexts. This sets the scene for a consideration of the implications for informal economic activity, and the linkages between formal and informal activities. This chapter also considers not only *economic* formality and informality, but also the crucial role of the state and governance, and the implications of the relative weakness and lack of coherence in the local state, particularly in the Eastern Cape. After discussing the livelihood implications of these structural features, the chapter closes with a brief outline of some of the key strategies for coping with these realities revealed by the data.

5.2 The economic context of vulnerability

5.2.1 De-agrarianisation in the Mount Frere district

In the Mount Frere district people’s economic prospects are defined by the broader context of deep underdevelopment. The overriding feature of this landscape is the relative absence of endogenous economic development (including agricultural activity) and the reliance on distant labour and other markets. In what follows, the economic context of vulnerability in the region is sketched out in terms of three (ultimately interrelated) domains. The first is the general decline of agrarian production, the second concerns the reconfiguring of regional economic activity in the absence of a local industrial or manufacturing base but with the ascendancy of big retail enterprises, the third and final point concerns the fate of remittances and back investment.

The first issue is the general decline and ‘hollowing out’ of the Transkei agrarian economy. While agrarian livelihood activities continue to significantly augment people’s livelihood (cf. Shackleton, Shackleton & Cousins, 2000), there is evidence that they are increasingly paying a supplementary role. Very few households participating in the study were able to ensure food security exclusively through their own agricultural activities. Those that generate significant agricultural production are typically the households that are well connected to the formal economy. They dispose over the cash needed for inputs such as ploughing or the acquisition of livestock. As is illustrated by some of the case studies in this report these comparatively better-off households are more likely to attract other kin members, and are more likely to preside over the requisite surplus labour needed for smallholder agriculture.

De-agrarianisation is a global phenomenon and commonplace throughout Sub-Saharan Africa. It flows from a range of factors including rising rural population growth rates, the deleterious effects of market liberalisation and often sees rural dwellers diversifying their livelihoods into non-agricultural sources (Ellis, 2000). The nature and full extent of de-agrarianisation in the former Transkei is a matter of some scholarly contestation (cf. Beinart, 1992; Bernstein, 1996; McAllister, 2000; Lipton et al. 1996; Manona, 1998; Andrews & Fox, 2004). It is an issue further obscured by impulses towards viewing the region as a homogenous entity, rather than one traversed by sharp differences of soil ecology, rainfall and market access. Moreover agricultural production in this region has often taken place

against adverse circumstances, including disruptive development and betterment schemes, a dearth of marketing and infrastructural support and a century of labour migration (cf. Bundy, 1988).

Within the focal research area, there were strong indications that the role of agriculture has declined in the district. Many of the large cultivated fields (*'intsimi'*) are falling into disuse, while householder agriculture is limited to the garden plots adjacent to homesteads. Informants readily relate the abandonment of the cultivated fields to the monetization of the agrarian economy, and the fact that ploughing is increasingly relying on mechanical rather than animal traction. Poorer householders do not have the money required to hire tractors to plough, nor do they have access to animal traction, with access to livestock the most significant variable influencing household agricultural production (Heron, 1991). As cattle ownership is often highly skewed: 80% of households owned less than 5 head of cattle; about half owned none, and five per cent owned 10 head of cattle or more (see Table 7) and correlated with non-rural income sources, it tends to be concentrated in the hands of local elites such as traditional leaders, bureaucrats and businessmen (Cousins, 1996). Sharp economic differentiation between households furthermore undermines cooperative work arrangements, such as the *'ilima'* (work parties constituted for weeding) and the collective ploughing groupings. When better resourced households receive fewer benefits than they contribute to these groups they are inclined to withdraw from them, further undermining poorer household's ability to engage in agrarian production (Spiegel, 1979). In the context of the large planning fields falling into disuse, evidence from elsewhere in the former Transkei suggests the smaller homestead garden plots are being intensively cultivated, in an effort to maintain output in the face of declining resources (Andrews and Fox, 2004).

Table 7: Concentration of Cattle Ownership in Mount Frere area. (Source: 2002 CPRC survey)

	Percentiles	Number of Cattle
N	Valid	732.0
	Missing	1.0
Mean		2.6
Percentiles	20.0	0.0
	40.0	0.0
	60.0	2.0
	80.0	5.0
	100.0	30.0

The retreat from cultivation of the planting fields further feeds into the vicious circle of de-agrarianisation. With fewer people cultivating there is little incentive for the entire village to keep stray animals out of the poorly fenced fields. Compulsory schooling has similarly reduced the availability of children to control livestock. Many research respondents consequently report crop losses due to stray livestock, or expressed a reluctance to cultivate in anticipation of these large losses. Interviewees also reported a process that might be called *'bovine deskilling'*: even where people have livestock, the oxen have not been trained to the plough, further increasing people's dependency on mechanical traction. A final pragmatic factor in the decline and reconfiguring of agriculture is the dissipation of

whatever homeland-era agricultural extension services (such as cattle dipping) existed in the past.

There is a further element to de-agrarianisation which receives varying inflections in the literature, namely the complex “connections people made between food production, rural life and social identity” (Minkley and Banks, 2005). Many of the crucial cooperative work arrangements described above depend on an underlying set of social and moral precepts. Much successful agricultural production depends not simply on agricultural labour, but on a broader, collective commitment to an agrarian lifestyle. McAllister’s (2001) detailed analysis of a productive maize growing district in the former Transkei suggests some of the characteristics of these areas. They are typically: in the high rainfall coastal belt; undisrupted by a history of betterment planning or forced removals; relatively isolated from markets; and (significantly) home to inhabitants who demonstrate a commitment to a conservative, rural Xhosa lifestyle. Relatively few of these factors correlating with successful agrarian production, are evident within the focal research setting in the Mount Frere district.

The complex interplay between social identity and agrarian production is also evident in the changing nature of the household formation. In the past, cash remittances enabled young men to pay dowry (*‘lobola’*) and thereby ‘build’ the homesteads (in both social and economic terms). The resultant normative cycle of household development (Spiegel 1996) rendered agricultural work the preserve of middle aged men, who had retired from urban labour, and women. There is some anecdotal evidence to suggest that local agrarian labour continues to be regarded as an inappropriate vocation for a young man. One can only speculate on how this dynamic, along with vastly elevated levels of schooling in the last generation, and pervasive images of western consumerism have served to temper the emergent agrarian aspirations and identities.

If a relative dearth of agricultural activity is a feature of the Mount Frere district, a further striking feature of the district is the absence of a thriving secondary economic sector (particularly light manufacturing or industry). In the last decade many of the traditional avenues of industrial employment for residents of the area have waned. The Transkei Wild Coast belt, prioritised for labour recruitment especially since the 1970s, has borne the brunt of declining mine labour (Bank and Minkley, 2005), while the derelict industrial parks of Dimbaza and Butterworth attest to the collapse of regional industries, much of it textile and garment related. From an employment high of 50 000 in the mid 1980s, most of these jobs ceased with disbanding of regional decentralization incentives in the 1990s (Nel and Temple 1992). By 1998 Butterworth alone had lost 80% of its industrial jobs, each supporting scores of rural dependents (Bank and Minkley, 2005). Unfortunately South Africa’s twenty first century industrial core has little use for manual mine labourers; or workers in a textile and garment sector, hard hit by exposure to global competition.

The overarching forces of economic change, market liberalisation and globalization are some of the factors driving the decline of both agrarian and industrial activity in this region and much of sub-Saharan African. However, there are linkages and synergies between these two sectors: the Asian development literature is replete with accounts of rural industry. Livelihood diversification (through non-farm employment, petty commerce and urban migration) now contributes to roughly half of all rural incomes in low income countries (Ellis & Allison, 2004). Rural dwellers efforts to diversifying their occupation, to control for the effects of seasonality,

risk and declining agrarian output, serves to reproduce social differentiation. Ellis (2006) notes that better off households tend to diversify into non-farm business activities (such as business, transport services, construction), while the poor typically diversify in the form of casual work, much of it in agriculture. Although some commentators suggest that non-agricultural occupations such as weaving, pottery, beer brewing, carpentry and perhaps auto mechanics and transport services offer up the promise of nascent manufacturing or industry, Bryceson and Jamal (1997) remain pessimistic about the growth prospects for these activities. They that argue few of the skills and organizational features of these economic activities are really connected with industry. Where these activities take place they generally represent a small scale, sporadic, survivalist risk mitigation strategy for household subsistence rather than proto-professional occupation.

The general paucity of the secondary economic sector in this region is arguably not related to the lack of linkages with the formal economy, but by its very nature and ubiquity. Systematically deprived of development for decades, the sudden deregulation of the former Transkei in the 1990s saw the regional retail economy rapidly dominated by large national supermarket chains which moved swiftly into the rural areas. Although these supermarket chains supply cheaper food, their supply lines invariably bypass local production. The milk, meat and other perishables for sale Mount Frere supermarkets are sourced not from local producers, but rather the more distant commodity markets of Kokstad, Durban and East London. Of the five largest supermarkets and wholesalers in Mount Frere, only a single store is in any sense locally owned (by a long-resident Cypriot Greek family). Only they are readily able and willing to purchase products locally (see case study 13 below). An important component of the agrarian economy and purchasers of local agricultural surpluses in previous decades, rural trading stores have been devastatingly undersold by the coming of large retail to Mount Frere. Many of the trading stores attest to a changed economic logic, they stand decrepit, with rows of empty shelves poorly stocked with merchandise. The trading store's function as a site of labour recruitment has been long since rendered obsolete by the dissolution of formalised labour migration. While its role as a nexus of communication, and conduit for postal remittances between rural residents and urban kin, has also been eroded by the digital technologies of ATM cards and cellular telephony.

Case Study 12: The rise and fall of a rural trading store

Ms Safika has been the proprietor of a trading store, outside of the village of Akulinywa. Set amongst towering eucalyptus trees in an otherwise scrubby grassland landscape, the store consists of a cluster of buildings set a short distance from the dirt road. The corrugated iron roofs wear a rusted patina, while faded signs for consumer products, some familiar and others long since forgotten, adorn the peeling buildings. Decrepit petrol and paraffin pumps sit alongside corroded fuel tanks, testifying to former availability of fuel here. The interior of the store is paneled with vast open shelves, with a modest range of items (mostly household commodities and non-perishable food items) spaced out along the vacant shelves behind the counter. Articulate and candid, Ms Safika is an excellent informant. Not only has she owned and worked the trading store since the 1977 'independence' of the Transkei, her account suggested a fine recollection of dates and figures.

As a young, newly qualified school teacher Mrs Safika acquired the store, with a Transkei Development Corporation (TDC) loan in 1977. She explained that a long standing family friend of her deceased parents was the shadowy benefactor who signed surety for her. The store, expropriated from its former white owner, standing on a plot of four hectares with a large homestead behind it cost R25 200. On acquiring the store Ms Safika also took a stock loan of R30 000 from the TDC. She describes this as a time of great uncertainty for, despite her occupancy of the store, she did not feel her claim to it to be particularly strong as others had expressed interest in it. However she fared well and paid off her stock loan in less than four years, and the property loan by 1982. A time of prosperity and stability, she employed nine people in her enterprise she sold a range of grocery, household and agricultural goods, along with petrol and paraffin. The trading store also operated a grinding mill (which charged villagers to mill their maize) and the early 1980s Mrs Safika erect a small post office in a building alongside her store. The Post office supplied post boxes, a switchboard and switchboard operator. The early 1980s also saw her divorced her school teacher husband. Mrs Safika reports that apart from being a drunkard, he fathered several illegitimate children in the village. Her ex-husband was never involved in the store. It was her trading store, she explained. The moniker 'trading store' is however a slight misnomer, Mrs Safika purchases no agricultural surpluses from the surrounding populace.

It was in the 1990s with the coming of 'free enterprise' that Mrs Safika reports her business began faltering. Between 1992 and 1996 Transkei leader Bantu Holomisa issued a directive that effectively abolished the geographical exclusivity trading stores enjoyed. Now 'even if other traders set up on our front door', Mrs Safika explains, they could do nothing about it. She attributed Holomisa's embrace of 'free enterprise' to the influence of the ANC and offers as proof his subsequent joining of the ANC. Prior to Holomisa, under Matanzima, trading stores were licensed (along with grinding mills) and spaced at least 15 kilometers apart. The coming of free enterprise saw white commercial farmers tow their portable grinding mills in and set them up temporarily in the shade of the eucalyptus trees outside her store. Mrs Safika recalls the disappointment of witnessing all her former customers queuing to have their maize ground.

The coming of retail deregulation also saw a relaxation of the restrictions on wholesalers, who were now able to sell to everybody rather than just licensed traders. The opening of wholesalers to all not only undercut Mrs Safika's margins; it lifted the proprietorial secrecy under which stores such as hers operated. She described the difficulties standing in the same queue at a wholesaler with future customers because they knew exactly what she had paid for various items. This generated 'gossip' as people would tell their friends to see how much more she was selling the items for than she paid for them. There is a sense, in Mrs Safika's account, of the changing social relationships with the surrounding community that accompanied her declining wealth. Increased competition from wholesalers also came with a reconfiguring of supply chains into the Transkei. Instead of buying from the likes of Mrs Safika, who in turn sourced her goods from both Mount Frere and more distant wholesalers in Durban and East London, consumers now went straight to big retail in Mount Frere. Particularly after 2000, with the national Boxer and Shoprite chain opening stores in Mount Frere. Ms Safika explained that the opening of a Rhino chain store in more distant Matatiele further increased retail competition. She cited the example of how 'terrible, far much cheaper' Rhino sold 500 gram bags of salt for 35c, whereas a similar sized bag cost 47c at the Mount Frere stores Mrs Safika was now patronizing. Even the Post Office which used to attract customers to spend money at her store was downgraded to a postal agency. The registered letters containing remittances which Mrs Safika used to distribute became superseded by bank accounts and ATM cards.

Mrs Safika describes the mid 1990s onwards as particularly stressful. For not only was her business failing, she was supporting a son at university and two daughters at a 'multiracial school in Kokstad'. In response to growing financial pressure she took an ECDC (East Cape

Development Corporation) loan of R75 000 in 1997. For a year she was able to service her monthly loan repayments of R2 600, before falling into arrears. Having never succeeded in clearing this debt and having been served with default judgements, the Sheriff of the court has come to her store and taken her stock and money out of the till. Memorably describing her predicament with “this store is a Titanic, it is taking me down”, Ms Safika readily ascribes its declining profitability to the overarching forces of retail deregulation and yet she also nurses more personal regrets. In her reflections, she rued the rapidity with which she paid back her first loans. She speculated that if she had paid these back over the maximum prescribed period, her cash flow, and consequently access to stock would be better. Perhaps, Mrs Safika muses, she might still have been profitable.

Case Study 13: Taking a national retail franchise to the streets: Stavros’ supermarket

Mount Frere may have a reputation as a small rural town; but anyone who pays it a visit on a weekday or Saturday morning will find a hub of commercial activity. Far from being a sleepy town, it seethes with activity: at least the pavements of the N2 as it courses through town are solidly lined with street traders – local people selling fruit and vegetables, and Chinese and Pakistani peddlers (some of whom say they left their own villages in Pakistan a mere six months before) selling clothes, sunglasses and cellphone chargers. In less than a kilometre of high street there are several automated teller machines (ATMs) – and the way they are positioned speaks volumes about cash flows in the local economy. Although there are the free standing machines that snake with queues thirty or forty people deep on pension payout days and at the end of the month, every major supermarket is in close proximity to an ATM. People line up first to draw money, and then hand it over at the cash registers to purchase 12.5 kg bags of maize meal, cheap meat and other bulk essential products. On the pavement, mere paces from the local branch of Shoprite, is a steel shipping container with an ABSA ATM grafted onto its side. Within the foyer of the local branch of the (Pick and Pay owned) Boxer supermarket the symbiosis between ATM and big retail is even tighter. The new FNB machine is compact (the size of a hi-fi set), it need neither be large nor armoured as it contains no money. Instead the machine issues vouchers which can be effortlessly redeemed for cash or good from the store cashiers, thereby sparing a superfluous duplication of the cash infrastructure. ATM cash mostly goes to store tills anyway.

Stavros’ Supermarket has existed in Mount Frere for several generations, and in various guises, for almost 80 years. Although the new arrivals of Shoprite and Boxer pose stiff competition, Stavros’ large supermarket – now part of a national retail franchise chain — continues to do brisk business. Core to the success of the eponymous Stavros is that he has managed to ‘Transkeify’ the formula of the normally up-market supermarket franchise his store is part of, while continuing to beat his bigger rivals on quality. Mount Frere residents will tell you that the fruit and vegetables at Stavros are not the cheapest, but they are the freshest. When fruit and vegetables are not fresh, Stavros still sells them – but not in the store: a table is set up outside, and Stavros sells his bruised produce on the street, competing head-to-head with the informal traders that are selling their bruised tomatoes and overripe bananas at a rand a bag outside. Stavros’ ‘if you can’t beat them join them’ retail is aided by the absence of any municipal trading buy-laws in the administrative chaos of post-homeland Transkei. Stavros, unlike the other large retailers in Mount Frere, will also buy produce from local farmers – but on condition, that they do not attempt to sell their vegetables elsewhere in Mount Frere.

All of these arrangements have brought cheaper food to the residents of the district, but they also undermine the multiplier effect of local consumer spending. Cash comes into Mount

Frere in armoured transit vans; is deposited into the ATMs; is drawn by local people – often against funds deposited there by distant relatives or drawn down as social grants – moves five or ten metres across the street into one of the big stores, and leaves again: repatriated as profits to South Africa’s retail giants. Mount Frere is less a local economic hub than a node in a larger net.

If the decline of regional economic and agrarian activity, along with the simultaneous ascendancy of an expansive, exogenous retail is the story of the former Transkei, a third element in the tale is back investment by urban migrants. Longstanding patterns of migration have facilitated substantial back investment into the former Transkei. However many of these the links that enable investment of wealth and resources from the urban economic centres into the Mount Frere are weakening and fading. Though the practice of remitting money continues the decline of the manufacturing and mining sectors has meant that both the search for jobs and the regularity of remittances have become far riskier and less certain. Migration has become a far more perilous and uncertain undertaking, in the post labour recruitment epoch. What resources the better off households have managed to accumulate often represent the benefits of processes of saving and back-investment that is finite, and in many cases becoming exhausted. Several of the better off households included in the study are subsisting off defined contribution retirement benefits or retrenchment packages. Very few were receiving life long pensions. Even households that appear relatively well-off at present, where a household member has toiled in the formal economy for a prolonged period of time and accumulated significant savings, is likely to shift over time as those savings become depleted by the demands of survival in an uncertain future.

Case Study 14: The Radebes and the future of back investment

The compound of Bulelani Radebe consists of a cluster of houses including two rondavels and a large, H-shaped house (with four bedrooms in the wings and a large central reception room). The homestead is affluent looking and includes a solar panel mounted on a short mast, for charging car batteries in order to run a TV or radio. The household consists of six adults, including Bulelani and his wife, his adult son Anele and daughter Thando and two daughters in law (one of whom is married to Anele). Thando and Bulelani’s two daughters in law, each have a child at the homestead. Raising the final tally of individuals living at the household to 11 are the two young sons of another daughter (ill with HIV in Cape Town).

A cluster of Bulelani’s adult children and his grandchildren, live in the urban centres of Cape Town, Gauteng and Mthatha (Umtata). The only exception to this distribution of grandchildren are the twin 13 year old boys, born to Thando, who live with their paternal grandmother in the North West Province. Child support grants for three of the grandchildren at the household have been secured. Both Bulelani and his wife were recently turned down for disability grants (neither being adjudicated sufficiently incapacitated).

To an experienced eye Bulelani’s large compound, with its large well built house, furnished with an array of store bought furniture from the last three decades attests to an extended bout of labour in the formal economy. This is in fact the case. Bulelani first left the village in 1961, and worked in the Free State for several months, before joining Iscor in Pretoria in November 1962. He secured the job via his ‘grandfather’ (actually a paternal uncle) who was already working at Iscor and claimed that Bulelani was his son. (In the past employment

opportunities were often awarded via paternal, or village based relations such as this). Initially Bulelani worked on the six month contracts which required return to the village at the end of the contract. He explained how he lived in the Iscor hostel and (to the incredulity of some of the grandchildren present) earned R6.34 per week, of which he remitted R10 back to his wife each month via registered mail. This was, Bulelani explained, more than sufficient for a bag of mielie meal and goat every month. In terms of his employment at Iscor, he initially started unloading coal and lime from railway trucks. He recalls the lime used to make him cough, so he convinced one of the clerks to make him a 'quenching car' (or 'bleskar' in Afrikaans) driver, operating what sounded like a motorized cart which fed the furnaces. A steady income enabled Bulelani to marry his current wife in 1968. Like many other women in the village, she made the sun-dried mud bricks and a builder was paid to construct the structures on their property.

Bulelani worked at Iscor until November 1996, a total of 34 years, although his framed long service certificate hanging in the lounge records 28 years (his employment was to some extent intermittent in the early phases). In 1996 he received a retrenchment package of approximately R105 000 and returned to the village. Of this amount he purchased some furniture for the house, educated the three of his children to matric and paid lobolo for his son. He also purchased three cows (but two subsequently died) and five goats (two of which have been slaughtered in traditional ceremonies). The household cultivates maize (five 50kg bags last year), vegetables and a small amount of beans. Bulelani explained that they are 'still eating the money'.

When asked about economic activity in the present, Bulelani explained that he sporadically gets a job to erect or repair fences every six months or so, for a sum varying from R300 to R600 (it seemed very negotiable). Three of his children working in urban areas send remittances, ranging from R150 to R400 a month, collectively total about R600 a month. In the decade since his exit from formal employment, Bulelani's retrenchment package has steadily been eroded by the multiple demands on it.

Bulelani reported the household not to have any other sources of income. However further enquires of his daughter Thando revealed that she sells clothes. Travelling to Durban via two busses (first to Matatiele and then a second to Durban, total fares of R95) she buys clothes from the factory shop and second hand shops for between R1000 and R1500. She returns to the village and sells these, sometimes on credit. Although debtors sometimes 'run away' and she is unable to collect the debt, she makes an irregular income from her enterprise. She explained she started the business with capital from her boyfriend, the father of her child. He gave her the money in lieu of other support for the child, and told her to 'make business' with it. She was reticent on what sort of returns her business generates and the extent to which the proceeds of this business are pooled with the household accounts. However her monthly contribution of R100 to an umcalelo (mutual savings society), suggests she probably generates a tidy profit of a few hundred rand a month.

Bulelani's son does 'piece jobs' on somebody else's field. He too retains whatever income he earns, and his parents expressed having no knowledge of how much he is paid. Unlike his father's generation, the 'join' (labour recruitment) no longer exists for men of Anele's age. With its disappearance has gone formalised urban migration, the certainty of employment and the promise of the opportunity to build a homestead. Anele is not uncommon in living with his wife and child at his parent's compound. He engages in the agrarian labour that might have been considered inappropriate for a young married man in the past. His cash poverty is reflected in the fact that his father paid the R5 000 required as lobolo for his wife. It is unclear how he will ever be able to build a homestead comparable to that of his father. For the new face of urban-rural migration is represented by his wily sister: privatized, informal, vulnerable, and increasingly female.

5.2.2 Race and space in Khayelitsha

In Khayelitsha, the economic context is rather more complex and difficult to delineate with ease. While poverty in Mount Frere is shaped by the key facts of remoteness, underdevelopment, de-agrarianisation and adverse incorporation, poverty in Khayelitsha seems to be shaped most above all by the political economy of racialised urban space. Khayelitsha is a relatively recently created township, composed mostly of recent migrants into Cape Town; and from this perspective perhaps the most important fact about it is that while it is populated mostly by those who have left the Eastern Cape and the rural areas to seek jobs in the city, those who live in it are still in a very large measure economically, spatially and racially marginalised from that city.

Table 8: Change in percentage sectoral contribution to GGP in Cape Town - 1994 to 2005 (from Cousins, Parnell & Skuse 2005)

Sector	Change in Contribution
Agriculture	5.86
Transport	3.12
Business services	3.07
Wholesale & retail trade	2.48
Construction	-0.02
Community social services	-0.04
Electricity & water	-0.12
Mining	-0.46
Government	-3.83
Manufacturing	-4.01

In the first place, the urban economy has not succeeded in creating many formal employment opportunities for Cape Town's poor, landless, relatively unschooled and African population. Increasing capital intensity in the economy as a whole since the early 1980s has driven a decline in manufacturing employment, with 200 000 jobs being lost between 1980 and 1996 nationally. While Cape Town initially bucked this trend the period after 1996 saw significant manufacturing job losses; driven mostly by the decline in the clothing industry (see table). In addition there has been a decline in the numbers of people employed in private households (SACN 2004: 52). On the whole then, employment opportunities for unskilled workers have been diminishing. This is unlikely to be addressed in the future by the growth path taken by the city: like many other South African cities Cape Town has emphasised an outward looking, globally integrated growth path, emphasising financial services, tourism and export led manufacture (see SACN 2004 esp. 66 ff). Unfortunately this has not created many jobs for unskilled workers - and even where 'unskilled' jobs do become available, cultural and racial factors continue to exclude those who are not fluent in English. While unemployment is better than in many other South African cities, estimates still put unemployment (in the expanded definition) at between 25% and 30% of the labour force (SACN 2004: 51). Within this general statistic, African migrants are disproportionately affected.

While African migrants constitute the single largest group of migrants into Cape Town (constituting 54% of the cities immigrant population) they are also the most marginalized grouping; while the migratory flow of work seekers from the Eastern Cape dwarfs all others into Cape Town migrants from the Eastern Cape are also among the most likely to face unemployment, and on average report lower incomes than other migrants (Cousins, Parnell & Skuse 2005).

Table 9: Cape Town Employment Status: Age 15-64: Totals by Race Group and Gender: 2004 (From Cousins, Parnell & Skuse 2005)

	Black Male	Black Female	Coloured Male	Coloured Female	White Male	White Female
Employed	101,438	75,329	215,091	211,823	142,407	122,179
Unemployed	78,000	91,607	51,445	46,122	4,400	2,906
Not economically active	119,434	170,049	137,493	239,888	43,176	75,979

To some extent the disproportionate inability of internal African migrants in Cape Town to access formal sector jobs flows from the underdevelopment of the Eastern Cape and from the educational legacy of Apartheid. Although rates of schooling are higher than they are in Mount Frere (see table) large numbers of older African migrants in Cape Town's African suburbs have very little education.

Table 10: Educational attainment of adults in Mount Frere and selected African suburbs in Cape Town (source: PLAAS/CPRC household livelihoods survey)

	Mount Frere	Cape Town
Completed 11-12 years of school	20.5%	29.9%
Completed less than 8 years of school (entire sample)	40.6%	29.5%
Completed less than 8 years of school (adults older than 40)	63.4%	56.4%
Never attended school (entire sample)	5.7%	4.8%
Never attended school (adults older than 40)	10.9%	12.1%

This educational disadvantage is exacerbated by and interacts in complex ways with the local political geography of race and space in the aftermath of Apartheid. In an important sense, Khayelitsha is in, but not of Cape Town. It is situated more than 30 kilometres away from the city centre, remote from the shopping and manufacturing sectors where most of the jobs are to be found. Travel to and from these centres is expensive and dangerous. In many ways, then, Khayelitsha is something of an economic, racial and cultural enclave. As the case study of Nontuthuzelo Mbada showed (see Case Study 2 on p. 32), many people travel thousands of kilometres from the Eastern Cape to come to the urban areas - but rarely or never venture the last 15 to 30 kilometres into the economic hub. Half of the urban respondents to the 2002 survey reported that they were unable to speak either Afrikaans or English, a figure that was surprisingly relatively independent of whether they were recent immigrants or not; the low rates of fluency in *umlungu* languages among those with little education is not surprising (see table), but even among those who had had between and 11 and 12 years of schooling 28% reported themselves unable to speak Afrikaans or English. This is an important disadvantage

in a city which is the only South African Metro area with a majority non-African population (Cousins Skuse & Parnell 2005).

Table 11: Percentage of various groups of adults in African Suburbs in Cape Town reportedly unable to speak either Afrikaans or English (n= 1660) (Source: PLAAS/CPRC household livelihoods survey)

Adults	%
Total sample	49.7
Adult male	52.3
Adult Female	47.8
At address for less than a year	48.2
At address for more than 5 years	50.4
With no schooling	90.0
With up to 7 years of schooling	67.5
With 11-12 years of schooling	28.7

Economically, culturally and socially, Khayelitsha therefore has a paradoxical character. Thoroughly metropolitan and part of the urban economy, it also in some ways the Eastern Cape's westernmost village. Perched right on the urban perimeter of greater Cape Town, its denizens sometimes speak as if Encobo is closer than Claremont, and visit Qumbu more often than they do Kraaifontein. Created as an Apartheid dormitory township, removal to which was fiercely resisted in the 1980s, it has acquired a community character in its own right; while characterised by high levels of poverty and unemployment, is also bustling with informal activity.

For the purposes of this report, there are four important ways in which these facts shape the 'vulnerability context' and impact on the livelihood strategies of poor people.

(1) The first key factor is the simultaneous centrality and fragility of paid employment in or on the margins of the formal sector. In the 2002 survey, 85% of the households in Cape Town's African suburbs with an income of more than R1500 contained at least one adult with access to permanent, stable employment. The data also highlight the insecurity of employment in the usually unskilled sectors of the economy: 31% of 622 urban households reported in 2002 that the breadwinner has suffered the loss of work in the previous year, and 30% reported the loss of a permanent job in the previous five years.

(2) Secondly, as with the urban poor elsewhere in the world, urbanisation and integration into the urban economy is a double edged sword (see e.g. Fay 2004). On the one hand, closeness to the urban sector assures greater chances of employment and a better income. In South Africa as a whole, the average income for the people employed in the nine cities of the South African Cities network is significantly higher than the average income per worker in the rest of the country, while in Cape Town, unemployment has been significantly lower than the national rate outside cities (Boraine *et al* 2006 270). But at the same time, the local economy is far more thoroughly monetized, and there is no agrarian economy that can cushion monetary shortfalls. This is an important point to be borne in mind by those who dismiss the role of so-called 'subsistence' agriculture in the Eastern Cape. While households were monetarily much better off than in Mount Frere, the proportion of households that reported spending more than 40% of household

expenditure on food was almost the same (see table on p. 31). While cash is more plentiful, the effects of cash shortfalls are more dire; while closer integration into the urban economy brought increased opportunities, it also meant that urban livelihoods are more sensitive to fluctuations and changes in that economy. This parallels the experience of the urban poor elsewhere in the world: in Latin America, for instance the elasticity of poverty with respect to growth is significantly higher in the urban than in the rural areas (see e.g. Faye 2004)

(3) This increased vulnerability to fluctuations in the formal economy is made even more significant by the limited scope for informal economic activity that can cushion these shocks and supplement formal sector income. Although qualitative research is able to reveal much broader participation in informal economic activity than the 2002 survey (see p.48), these activities have to be undertaken under very difficult circumstances. The distance to the town centres mean that residents are far, not only from formal jobs, but for markets for informal economic activities. Unemployed African migrants in Khayelitsha trying to make a living from informal economic activities are essentially pinned down in the poorest parts of Cape Town.

(4) As in the Eastern Cape, another problem is the fact that some of the linkages that *do* exist between the township economy and the formal economy are of a problematic kind. A key issue here is the central and dominating role of large supermarket chains, which must necessarily crowd out informal economic activity. Again, it is not clear whether, in the context of economic vulnerability and fragile employment, the economic benefits of cheaper food outweigh the lost opportunities for self employment and multiplier effects. It is however clear that one of the key paradoxes facing those involved in informal sector activity is *that while households in poorer communities are denied access to markets in the so-called 'first economy', corporations operating in the first economy have access to markets in more marginalised communities*. This must significantly reduce the potential for local multiplier effects and economic growth within these communities

This is related to another rather complex issue - that of debt and credit. This has been extensively studied elsewhere (e.g. Collins 2005); here it should simply be said that the data gathered by the research project does not offer much support to the notion that a key problem of life in Khayelitsha is the lack of access to micro-credit. Though some depictions of 'the second economy' suggest that loan-sharks (*mashonishas*), preying on the poor in the absence of adequate microcredit provision by the formal sector, are a major reason for poverty (see e.g. Mbeki 2003), the data gathered in 2002 and 2005 do not bear this out. Only some 6% of Mount Frere households and 7% in Khayelitsha indicated that they owed money to micro-lenders in the 2002 survey. Where households owed money it was far more likely to be to funeral associations in the rural areas (26% among Mount Frere households) and store credit (17.5% of households in Mount Frere, and 26% of households in the Cape Town Study. And in the 2005 study, only one informant indicated that he borrowed money from the microlenders - and that was to settle a furniture store debt.

5.2.3 *The urban and the rural*

The dynamics of poverty and vulnerability were very different in rural and urban contexts. Here, our informants themselves saw the difference between rural and urban contexts in very stark - and somewhat idealistic terms. Urban informants characterised the rural context as one in which people helped each other; while rural informants characterised the difference in terms of the supposed availability of jobs. Both characterisations were somewhat idealistic: in fact, most people's employment prospects in the urban areas were quite dismal, while the reality of life in the deep rural areas was very different from the romanticized picture painted by urban informants.

At the same time there were some important differences to the ways in which social capital worked in urban and rural areas. A key feature of rural civil society was that it was very hierarchical, much more shaped and ruled by traditional values and rules about gender and status, and that life was much less anonymous: most people would be very clearly 'placed' in relation to one another in terms of the clan identity, social status, familial connection and history. Urban life was very different. While urban life was not characterised simply the replacement of the logic of traditionality with those of modernity (Khayelitsha is in many ways a very large Eastern Cape village), the general character of social relations are very different. Social interactions are characterised to a far greater extent by anonymity and a much more democratic urban culture.

To some extent this is linked to another important factor limiting and constraining informal economic activity. For a variety of reasons - some historical, and related to the lack of real policing on the Cape Flats in the 1980s and 1990s, and some no doubt related to extreme poverty, crime and violence - and the fear of crime and

Vuyiswa plans to get back into the fruit and veg business when Thandiwe is bigger. She wants the business to stay small and deal in fruit and veg only. She does not want to get bigger like Mababhela [a large local spaza] because there is a lot of *tsotsi's* there and they will steal her things. (Ky 033)

Neliswa L has been making a living selling meat ever since she came to Cape Town twenty years ago. The business is not easy: she says the smileys are not selling as they used to; perhaps (she says) because of competition, also she is scared of *skollies* (Ky 166).

Thembisa M used to run a spaza and a successful shebeen in Crossroads (she claims to have been selling 1000 cases of beer a week at one point), and she owned two minibus taxis. In the 1990s a boy who worked for her was shot and killed in her shop: she attributes this to another woman in Crossroads who was envious of her success. At this time she also lost her taxis - one was burned out in the taxi violence, and another damaged in an accident. She cites these incidents as the reason why she has been reluctant to engage in entrepreneurial activity again. She says she is scared to run a shop. At the moment she earns money doing development work and working with NGOs (Ky 111).

Lukholo M and her husband had a spaza in Crossroads. One problem they had there were lots of *tsotsis* that came and robbed them. They would take the zink out of the wall from the shack and take all the money and the groceries. Sometimes they would take the money that you need to buy your stock with. And sometimes you would put that money next to your bed but they would still be able to take it without you noticing. So the *tsotsis* robbed them several times. So then they decided to stop the spaza. (Lukholo M, Ky 111).

Box 2: Some Khayelitsha residents speak about the impact of crime on their plans

violence - are a central fact of life in Khayelitsha. Some current research indicates that fear of crime and criminality may play an important role inhibiting plans for informal economic activity (Cichello 2005). In more than one case, informants corroborated this, indicating that crime, violence and the fear of violence was an obstacle in their informal economic activities (see Box 2). It should however be stressed that it is probably an oversimplification to see crime on its own as a key factor in inhibiting self-employed activity: it is more accurate to see it as one factor playing a role in the context of the generally unpromising underlying condition for self-employed activity.

5.3 The ineffectiveness of the local state

In section 5.1 it was argued that economic life in Khayelitsha as well as Mount Frere was characterised not so much by the absence of linkages with the formal economy, as the *presence of adverse or disempowering* linkages, and the dearth of positive, empowering ones. But alongside the relative presence and ubiquity of corporate capital in the rural areas, another remarkable feature of economic and social life was the absence of the state.

5.3.1 Traditional authority

The first issue that should be remarked on is the lack of any effective local state at village level. Traditional authorities are present but do not always act effectively either as agents of the state or as representatives of local people. This was particularly evident in the case of the remote village of Phuzayo, a village with a reputation of one of the more dangerous areas in the Mount Frere district, partly because three murders had taken place there in recent years.

Case Study 15: Themba Mhlaba: One face of traditional authority and rural governance

Themba Mhlaba is the headman of Phuzayo village in the former Transkei. A discussion of this household is useful for two distinct, yet ultimately related reasons. Firstly, it reveals something of intra-household dynamics and suggests how these affect well-being. Secondly, keen attention to how he exercised his role as head in the village during the six months the team spent conducting research in the village, reveals some important questions about the nature of traditional authority and rural governance in the former Transkei.

Approaching Themba Mhlaba's somewhat isolated homestead one is struck by the poor quality of the accommodation. It consists of two mud huts, which are largely unplastered and in a poor state of repair. The first structure is a small cooking hut (with an open fire); the second is a compact L shaped structure consisting of two rooms. On entering this dwelling, ones impression of the household's material circumstances become no more favourable. The gloomy interior of the combined bedroom-lounge is dirty, with stained walls and an unswept floor. The furniture in the room is old and broken. When it rains, water leaks through the badly repaired roof onto the grime encrusted velour lounge suite. The homestead differs starkly with the homesteads of other headmen or chiefs in the area. Traditional leaders receive a modest monthly stipend and they usually reside in homesteads of above average size and comfort. Typically, the reception room of any respectable headman or chief would be immaculately tidy and furnished with serviceable, comfortable furniture in accordance with

his status; and his *isidima* would be evident both in his comportment and in his homestead. The rather shabby appearance of Mhlaba's homestead is a clue that something is amiss.

The second sign is the Mhlaba household themselves. Themba and his wife are difficult informants to interview. Unlike other resistant and reticent informants, Mhlaba was willing to talk to the team, but they often seemed muddled and confused. Most respondents (like interlocutors in any conversation) generally sense the semantic thrust of a line of questioning and usually respond in kind, clarifying the underlying story that links their answers together into a coherent whole. Themba on the other hand would dutifully and mechanically give responses - which would turn out to be increasingly contradictory. His narratives, although freely proffered, were incomplete and incoherent. His accounts moreover often put a great deal of pressure on a translator mediating between an increasingly contradiction laced account and an interrogative researcher. Although Themba initially seemed a bit blunted and red-eyed, it only later became apparent to the research team that he is a heavy drinker. This factor contributes to the contradictions and confusion that often envelop his accounts.

Although she doesn't display signs of alcohol abuse, Themba's wife is a similarly confusing respondent. Her accounts are often marked by non-sequiturs, elisions and errors. In the team's first interview her reported age did not tally with the information from the 2002 survey, when questioned on this she realised she had reported her age incorrectly and amended it accordingly.

Themba's adult daughter seems to be the most reliable of the household informants. She also assumes responsibility for some of her father's administrative tasks such as handing out and stamping forms. The unwed mother of a young child, she wishes to complete her matric, and travelled to Cape Town to do this in 2002 but arrived well after the start of the school year and could not be admitted to a school. The final adult in the house is Themba's adult son who reportedly makes money by building houses for villagers.

Themba's household relies heavily on his headman stipend - raised from R1200 to R1700 shortly before the fieldwork period. Although not a large sum, it is an amount well above the mean income for many households in the village. Themba's daughter works in a community agriculture project and his son reportedly works as a builder within the village. Reportedly earning R3000 for building a mud block hut, this money is split between the builders, so and his son can earn anything from R500 to R1000. Themba's son eluded the research team, and they saw little evidence of his building activity in their time in the village. Themba has no livestock, and engages in no cultivation, although his daughter as planted a very small garden (perhaps the surface area of an average suburban bedroom). One of the four grandchildren within the household (his daughter's child) was obtaining a child support grant, an application was lodged for a child support grant for one of the other grandchildren but neither of the remaining two children had the necessary birth certificates - this despite Themba's purported access into the world of forms and administration. At a household level, this was somewhat dysfunctional household unit.

Themba explains that his headmanship is a hereditary position (both his father and grandfather were headmen) that he took over in 1988. His headmanship came at the end of almost twenty years of migrant labour. Themba took the 'join' (labour recruitment) in 1969 where he worked on a dairy farm outside Cape Town. He married his current wife in 1971, and his old pass book (which he still has) shows he commenced working at Cullinan diamond mine in 1972, followed by a spell at Randfontein mine in 1978. Themba recalls working as a 'daka boy' (a manual labourer mixing cement) in Qwa Qwa in the 1980s. He became headman on 1 April 1988. When he reaches retirement age, he will receive a regular state old age pension and his first born son will become headman.

The dysfunctionality of the household is evident in its inability to translate the receipt of a tidy monthly income into better quality accommodation. Nor have the household head's status and his income become manifest in educated adult children or clean, well-cared for, grant receiving grandchildren. When diplomatically questioned about this strange disjuncture, his relatives confidentially concede that his drinking is a problem. They draw on a theologically inspired – and strongly gendered explanation: Themba is 'far from the grace of God,' and they attributed this failing to the weakness of his wife, for it is women that are responsible for metaphorically 'building' the household.

How does he perform his role as headman? This is rather unclear. In describing his role in the village, Themba's accounts are marked by a tendency to conflate the abstract ideal with actual practice; and his description of his functions do not stand up to much probing. He says that one important area of responsibility is helping the village by completing forms - all forms, he assures the team. However Themba proves prone to omitting important details or overstating his role. When the team expresses interest in the forms, and asks to see them, he turns out to have in his possession two types of forms, the first a "Declaration of Address Form" – with had a FNB logo on it - and the second a "Death Report" form. The former allows Themba to duly certify that an applicant is a resident of the village (in an area which, of course, lacks formal addresses or title to land). The latter form allows Themba to certify one of the residents of his village is dead. It is then taken by the bereaved family to the Department of Home Affairs, the death registered with the machine of state and a death certificate issued. Themba therefore stands as an arbiter of existence and death, between his subjects and the formal state.

Themba's headman duties also include the allocation of household sites. This is reportedly done in conjunction with a small committee. Themba makes cryptic reference to site numbers being recorded on maps by the Department of Agriculture – but on further questioning, he admits that they have last done this in the village about twenty years ago. In common with many parts of the former Transkei, it is unlikely that land tenure arrangements are recorded in any sort of central registry. The third of Themba's tasks, is adjudicating disputes. These are generally limited to 'disputes without blood' (i.e. not murder, assault, rape etc), but rather minor offences, often concerning livestock and property. Given Themba's general uncertainty and vagueness it is hard to see how he can exercise this role effectively

How is Themba viewed within the village? On the whole, there is evidence that many villages regard him as ineffectual and incompetent: though initially no informants spoke out against him, towards the end of the team's six months of fieldwork informants sometimes let slip muttered asides about the unreliability of the headman. Several informants claimed that Themba is not impartial and is too easily 'bought' by a bottle of brandy: they doubted that he would be able to adjudicate conflicts fairly. There were also other episodes which pointed to these sentiments: during a public address within the village by the government officials, Themba's ascendancy to the podium was marked by a suppressed laughing and muttering. And perhaps most tellingly, when Themba sold a cow that he had impounded for straying into another villagers garden, the animal's owner responded - with little regard for the prerogatives of traditional authority - by pressing a charge of stock theft at a local police station, treating the headman's actions as if they were those of a common criminal. One of the distinctive characteristics of Phuzayo village, incidentally, was the relatively high incidence of conflict and incidents of violent crime (three murders in three years); and it is an interesting question whether the general absence of authority within the village may well contribute the violence and crime within it.

Yet perhaps the most remarkable aspect that of the relationship between Themba and his 'subjects' was their tolerance for him and their continued support both for the institution of headmanship and his right to occupy the position. Their disrespect did not translate into a rejection of either the institution or his role in it: it was expressed at most in 'offstage'

disrespect and circumvention of his authority. Nobody questioned the legitimacy of Themba holding the post. This valorization of the institution of traditional authority, and the universal inclination to view it as separately from the failings of its incumbents was even evident within our research team. Driving home in the team's vehicle and discussing Themba amongst themselves, a locally born fieldworker readily conceded that although Themba was drunk and ineffectual he is not *that* bad. When other team members expressed surprise, he clarified: Themba Mhlaba is not nearly as exploitative or venal as the headman of the neighboring village. Perhaps his drunkenness is a blessing in disguise.

Some features of the above case study become more comprehensible when considering the nature of traditional authority in the former homelands. The colonial encounter, particularly the British system of indirect rule, stabilised itself by co-opting indigenous political systems. Despite popular conceptions of immutable customary leadership, extending from the pre-capitalist, pre-colonial colonial past to the present, the institution is marked by the 'invention of tradition' (Hobsbawm & Ranger, 1983). The chieftaincy collaborated with colonial and apartheid rule, chiefs and headmen were (and continue to be) paid administrative functionaries of the state.

Some of the contradictions of hereditary leadership in a modern democratic state are considered by Mahmood Mamdani (1996). Examining the dynamics of social citizenship in post-colonial Africa, he delineates its basic split between urban 'citizens and rural 'subjects'. While urban dwellers enjoy rights of access to law, political representation and civic rights as full 'citizens', rural residents are the quasi-feudal subjects of ethnic customary authority. This, the 'decentralised despotism' of traditional authority has retarded participatory democracy and economic modernity in Africa, Mamdani argues. Although the chieftaincy encapsulated a range of judicial, legislative, executive and administrative powers in the distant past, it is through the allocation and administration of land that it continues to derive much of its influence (Ntsebeza, 1999).

The dismantled of racial privilege and ascendancy of a human rights ethos with the advent of democracy, has not fundamentally or consistently challenged customary power in South Africa. On the contrary, a resurgence of traditional authority across much of the post-colonial world often draws on articulations of cultural rights (cf. Van Kessel & Oomen, 1997). In the post-Apartheid era traditional authority has proved itself both politically organised, and adept at strengthening its legitimacy through appeals to tradition and culture. In its regional strongholds of KwaZulu Natal and the former Transkei, where traditional authority enjoys widespread support, local governance often involves geographically uneven, politically unsteady alliances of chieftaincy power and democratically elected local government. Much to the detriment of the latter, at the cost of 'democracy compromised', in the words of Ntsebeza (2006).

The chieftaincy is however an ambivalent institution and the despotism of the hereditary leadership runs the full gamut, from benevolent to malevolent. At one extreme the chieftaincy can be a benign, culturally affirming institution, binding together age old logics of social reciprocity and communalist values in spaces where there are other forms of authority and governance are weakly present. At the other - all too common extreme - end customary leadership is exploitative body and reproduces patrimonial divisions based on a hierarchy of gender, lineage and generation (Ntsebeza, 2006; Oomen, 2005).

Within village that became the focal research area in the Mount Frere district, the local headman is relatively undistinguished and commonly regarded as ineffective. He commands limited personal respect amongst the villagers, is generally reviewed as an unreliable arbiter of disputes and the research team's inquiries demonstrate that he is at best a poor conduit of administrative services. Yet in his favour Themba Mhlaba is merely dissolute and opportunistically rent-seeking, rather than truly exploitative or venal. It is perhaps for this reason that he appears to be tolerated with indulgent good grace by his subjects. However, the research team discerned that that an ineffectual headman, combined with a weakly present and frequently administratively fragile local state makes for relatively poor governance in the area. This local power vacuum occurs to the ultimate detriment of both safety and security (hence the history of violent crime in the area) and, ultimately, service delivery.

5.3.2 Delivery problems

These problems are linked to other incapacity issues within the local state. Here it should be said that in the fieldwork, there was much evidence of significant roll-out of services (most visibly in the form of infrastructural investment in local clinics and health workers) and development initiatives. But this provision of services is not always effective. Though the *elements* of a developmental state are present, they are often dysfunction or unintegrated. Primary health care clinics which stand as beacons of state-provided modernity are one particular example. Visits to local clinics revealed that both non-working vaccination fridges and medicine shortages were common in many clinics. In one of the research sites a quick perusal of the dispensary revealed a shelf marked 'paracetamol' was devoid of medicine. When questioned on this the local clinic sister indicated she had recently run out and was hoping for a delivery at the end of the week. No, she replied, she had nothing at her disposal to substitute for the exhausted drug.

In this context the physical presence of material infrastructure is often little guarantee of its functionality. All three of the clinics visited had elaborate solar panel powered radio phones however none of these phones was actually working during our visits. Even in a refurbished clinic, proudly bearing a granite plaque commemorating of its recent formal opening by the province's MEC for Health, had the same non-functional phone system. The clinic sister explained that, the phone system had never, in her memory been operational. Remarkably the phone did not work before, during or after the MEC's visit. We shared a laugh at the mischievous suggestion that the MEC ought to have been coaxed into lifting the silent handset to his ear.

Clear weaknesses in infrastructural and service provision are linked to a second paradoxical feature of political life. While on the one hand the state has very strict formal requirements with which people need to comply in order to qualify for benefits or receive services, the state is often unable to facilitate the basic conditions and services that would allow compliance. One of the most recurrently reported obstacles to securing a social grant, apart from the transaction costs involved, is the absence of an appropriate form of identification, specifically a bar-coded, Green covered RSA identity document. (Older identity documents without a barcode or Transkei era documents are unacceptable). Compliance with this requirement is often relatively expensive in terms of cash (see case study 32) and the time required to successfully process an application. Furthermore the cost of

mistakes by the state is high, particularly as these costs often end up being borne by the very people who are most vulnerable.

Quite apart from geographical distance and the weaknesses of local service delivery, interviews with Department of Social Development and Home Affairs officials highlighted several of the functional ‘gaps’ between the two departments and several of the difficulties associated with securing Identity documents to apply for grants. These difficulties become amplified when applying for a grant for a child, as both the child and its guardian need be administratively ‘captured’. The first difficulty is when the parents or guardians of children apply for social grants where neither they, nor the child, have identity documents. In these cases a chain of documentation needs to be (re)created; often starting with a traditional authority agreeing to endorse the adult claims of residency, identity documents then need to be procured for the adults, children registered with Home Affairs, and finally the social grant applied for. This is a laborious process, likely to be measured in months rather than weeks. A second variation on the above is the task of applying for a death certificate for a deceased parent who never had an ID book in the first place, in order to apply for a grant. This elicits a ‘manual’ death certificate from Home Affairs, a document devoid of an identity number (the deceased never having been registered in the central registry). Social Development officials struggle to process grant applications (e.g. for a surviving child) with an ID number-less deceased parent. Yet another permutation on this theme, are the surviving, undocumented dependents of (very specifically) deceased, ID document-less, unmarried mothers. These surviving children pose the stiff challenge of having to be bureaucratically linked to surviving caregivers. Resolution of this task typically requires sustained engagement with Departments of Home Affairs, Social Development and the local Magistrates’ court.

The two broad factors described above - the absence of an effective presence by the local state, coupled with the difficulties and expense of demonstrating compliance and eligibility - means that local elites can connive to ensure the capture of benefits intended for the poor. This is illustrated by three micro-case studies from the Mount Frere area, which appear to show not only the prevalence of corruption and rent-seeking, but also how elite capture of local resources appear to impose additional burdens on poor people.

Case Study 16: Gate-keeping, rent-seeking and bribe-taking: three stories from Mount Frere

(1) Disability grants as local patronage: It appeared to be common knowledge – and broadly accepted – in mount Fere that you did not have to be disabled to get a disability grant. In the course of the research more than one respondent described having paid a bribe to secure a disability grant. All named the individual concerned, a local district surgeon. The research team chose to step rather delicately around this issue, apart from not being centrally within the ambit of our research, we wished to neither put ourselves at risk by enquiring too directly after this, nor alarm informants by accusing them of complicity in grant fraud. Despite this some informants breezily described paying the bribes, as though this were a routine part of securing a disability grant. When a hitchhiker in our vehicle asked a fieldworker to secure her a disability grant, his bantering response was that she ought to ask Dr *****, her reply - only half in jest - was that his bribe was too high. Perhaps the most remarkable aspect of this activity was the highly variable amount of the bribe. A particularly poor and isolated woman, who had never worked outside of the village, paid R300 every three months, while

respectable, better connected respondents paid this ‘thank you’ (as a fieldworker translated it) as a once off amount. Knowledge of bribe paying to secure a disability grant appeared common amongst other officials. We were told, towards the end of the fieldwork period, that although the district surgeon concerned still occupied his post, decisions around grant allocation had recently been delegated to a committee and were no longer in his hands.

(2) Land tenure and gatekeeping: A second story concerns the case of an elderly (78 year old) widow who retired from decades of toil as domestic worker in Johannesburg. Due to her husband’s early death (in 1962), and her junior, second-wife status she was not able to occupy the homestead in his old village. Instead she sought to secure a plot in her pre-marriage village, in order to build a homestead. This proved to be an arduous process, it necessitated visits the local municipality to inform them of her plans and application to the local village headman. The headman had to confer with the headman of the village in which she (nominally) lived previously and charged her both for the plot (R800) and an additional ‘ukunyoba’ (bribe/tribute) of R800 for himself. Summing the entire episode up thus, a fieldworker said, ‘It’s a bribe and not a bribe of two cents’ (i.e. a sizeable bribe).

(3) Waiving the right to exemption from school fees A third story comes from a conversation conducted with an assertive young woman, who had been enrolled in Grade 11 at a local rural school. Questioning the school fees her impoverished family paid, the team enquired if her family had applied for school fee exemption from the principal. Neither she nor any of her cohorts knew about such an exception. She puzzled over the contradiction of her experience of learners being ejected from school for the non-payment of fees, and the team’s insistence that households such as hers would be entitled to ask to be exempt from paying school fees. After a moments though, she confidently hypothesised that school fee exemption is clearly a regulation applicable to provinces other than the Eastern Cape. Everybody has to pay school fees here, she maintained.

Perhaps the most noteworthy part of these stories is not merely the existence of corruption, but also the fact that bribes for disability grants, for instance, followed the gradient of power and favoured the better off. It seemed that wealthier and better off people paid smaller bribes while the poorest of the poor had to give up much larger ‘cuts’ of their grant money.

Generally speaking, informality often seemed to play a role in disempowering poorer and more vulnerable people. In the absence of a state that clearly protected people’s rights, they would be more at the mercy of local gatekeepers and other stakeholders and embedded within circuits of patronage and informality. The manner in which informality and sharply unequal power relations serve to disempower poor people is often so ubiquitous and deeply normative, that even the marginalised themselves might not even necessarily discern these dynamics as particularly noteworthy (the unabashed candour with which some informants reported paying bribes in the above extract, points to this).

Another consequence of the weakness of state structures was the exposure of poorer people to higher levels of criminality and violence. Violence needs to be recognised as a livelihood issue; constraining people’s choices, for example discouraging informal economic activity and making it more risky (see the discussion in Box 2 above). The impact of the pervasive treat of violence and criminality described in Khayelitsha also had analogues in the rural research site.

An exchange from a rural focus group illustrated some of the tensions around power relations and criminal victimization. The older men’s focus group discerned the need for a local police station to address the serious crime situation within the

village. When members of the woman's focus group mooted the same requirement, it soon became contested. An animated focus group informant, rubbing the thigh of the woman seated next to her, mimicking how she imagined a policeman would sexually proposition her, while she attempted to lay a complaint. No, she and several female informants argued, policemen resident in the village would sexually harass local women and merely generate another set of problems.

5.4 Implications for self-employment and informal economic activity

5.4.1 Understanding informal economic activity

The previous section considered some of the key features of the economic context within which poor and vulnerable people had to survive. In both regions, one key feature of this context is labour market marginality: the scarcity and insecurity of formal, permanent paid employment. Clearly this means that much depends on the scope for informal economic activity and self employment, and the extent to which it is able to compensate for the lack of formal sector jobs.

This is a somewhat neglected area of economic endeavour in South Africa. Many analyses of 'the informal' sector, of self-employment or of 'the SMME sector' acknowledge the existence of a large 'survivalist' sector (Rogerson 1996) - but many then proceed essentially to ignore it. Most studies of informal sector, small businesses and self employment prioritise understanding the needs, difficulties and challenges facing those 'businesses' and 'entrepreneurs' in the 'micro' sector and up that have some potential of growing and employing people beside the operator him/herself (e.g. Chandra *et al* 2001, Berry *et al* 2002, Ligthelm 20054). Even studies that are explicitly concerned with 'township businesses' such as spazas still concentrate on those that are large and formal enough to have significant credit needs and to be formally plugged into national supply networks (Ligthelm 2004)

In this research project we did not attempt to assess the profitability or sustainability of any 'informal businesses' or investigate in depth the micro-economics of informal economic activity. Such an investigation would require a detailed research project in its own right. At the same time, in-depth interviews produced many insights into the nature of the informal economic activities, their place in people's livelihood strategies, and some of the constraints and difficulties that they faced.

5.4.2 The nature and scope of informal economic activity

We have already remarked on the ubiquity and elusiveness of informal economic activity (see p. 48). Here, we highlight three other crucial features all of which have profound constraining implications on their ability to contribute to livelihoods.

The first is the narrow range of informal economic activities (see Table 12 below). As other studies have pointed out (e.g. Rogerson 1996) survivalist and self-employed activities tend to be concentrated in a small number of heavily overtraded sectors. A very small number of households had been involved in some kind of craft production or manufacture, or were involved in a moderately

established business (a well established shebeen, a spaza on a main road, a small builders' business). Two households, interestingly, obviously gained somewhat from being strategically involved in community work of some kind (this category includes Khumbuzi's church work (see Case Study 6 on p. 32) and a household heavily involved in development and community outreach work). Most of the activities relate either to small-scale retail and low value services.

Table 12: types of informal economic activity reported

Economic activity	Number of households
Reselling small items (sweets, cigarettes)	7
Making mud bricks, plastering huts	7
Preparing and selling food (smilies, walkaways)	4
Domestic work within community	4
Selling alcohol	4
Rural services (fixing fences, hoeing fields, herding cattle)	4
Childcare within community	3
Running a spaza	2
Dressmaking	2
Making reed mats	2
Traditional healer	2
Community work	2
Peddling in commercial centre	1
Reselling clothes	1
Transport services	1
Brewing beer	1
Running own building business	1
Grass harvesting	1
Collecting wood	1

To a large extent this may be due to the relatively low costs of entry to these activities. Some of the more remunerative businesses reported by informants required the possession of significant levels of skill or some other strategic advantage such as the spatial infrastructure on which dressmaking businesses of Madoda S (Case Study 1) and Phumi B (Case Study 3) relied. Others seemed to be protected by some other barrier to entry - the building business listed above, for instance, belongs to the son of the local headman in Phuzayo, who could conceivably be given an edge by virtue of his father's role in local land administration. For the rest, the activities listed do not require high levels of skill or very extensive capital outlay: as Cichello points out, this means that capital or skill thresholds should not count as major barriers to entry (Cichello 2005). But for exactly that reason, these sectors are also very crowded and competitive, which decreases their potential for bringing in significant income and makes it quite hard for them to be viable.

The latter is an important point. Often, the marginal and survivalist nature of informal economic activity gives rise to the notion that the problem with 'self employment' and 'micro enterprises' among poor people is that poor people somehow lack entrepreneurial ability and consequently need training of some sort. This impression fails to recognise the significant amount of ingenuity, strategic knowledge and effort that is required to sustain informal economic activity under

the difficult conditions at the margins of the formal economy. The people interviewed in the study often had a very clear sense of what was required in order to keep their activities going.

We begin by describing in some detail one fairly typical informal ‘business’ - that run by Nomsa B (see Case Study 11) and some of her friends.

Case Study 17: Cooking smilies in Site C, Khayelitsha

Nomsa and her friends Zabantu and Luleka survive in Khayelitsha Site C selling smilies (cooked sheep’s heads) and walkaways (cooked chicken feet). Zabantu (a shy, matronly woman) and Luleka (an easy-going woman who comes across as fiercely confident and down-to-earth) are old friends from Lady Frere. Luleka moved over to Cape Town first and met Nomsa here and they became friends: their friendship was based on the fact that they were businesswomen together, selling smilies and walkaways. Then when Zabantu came to join her husband in Cape Town in 1996 she found Luleka here, and she joined the group.

Because Zabantu and Luleka have properties set well back from the road and do not have big enough yards, the cooking happens in Nomsa’s property in M**** crescent, Site C. On the days that they are cooking the meat the yard is a hive of activity, swirling with smoke and cluttered with piles of sheep’s heads and other offcuts. There is an amiable air of industry, and the women laugh and chat as they work. Nomsa and Luleka make smilies, Zabantu cooks chicken feet. They came to this arrangement because they do not want to compete against each other too much; it makes more sense for one person to sell the chicken feet and the other to sell the smilies. Nomsa and her friends did not explain why it made sense for them to have two people cooking the smilies, but it may be that it works for Nomsa to share the work with someone else.

It is indeed arduous, unpleasant and heavy work. They generally get the meat on Monday mornings – that is, if their customers have paid them and they have cash on hand – and again on Fridays. They go down to Nolungile train station meet the bakkies that bring the sheep’s heads, from the abattoirs. The bakkies are cheap – you pay R10 for a sheep’s head and R5 for a packet of 10 sheep’s feet. They generally buy about 10 sheep’s heads in the week, and then 10 more for the weekend. But you have to be there early, and when the bakkie comes, all the women run to be there, and if you come last you won’t get any smilies. Then the sheep’s heads have to be cleaned – the wool is burned and scraped off in a fire; the heads are then boiled and cleaned further; they are split open and the brains removed; and finally they are cooked with spices – Nompumelelo uses Aromat. It is a lot of work, and a lot of it is dirty. And paraffin is expensive: if Nompumelelo had to use paraffin to cook the smilies, she would not be able to make a profit (they sell for R20 each: the sheep’s feet, too, get a 100% mark-up). The chicken feet that Zabantu sells make about R15 profit a bag (she buys a 5 kilo bag for R50 and sells them 50c each). So for the business to make any profit at all Nomsa and her friends generally have to gather wood. They go to Driftsand, a good five kilometres away: sometimes there are government people clearing away invasive Port Jackson wattle and it is easy to get the wood. Sometimes one has to chop the trees down oneself. It is not very hard work – the trees are slender – but Nomsa is not strong and gets tired easily. For all that, she is better at chopping down trees than members of the research team – she has perfected a low energy but accurate stroke that cuts through the trunk with only a few well aimed blows. If her neighbours are around, she leaves Andile there; if not, she takes him along. If he gets thirsty and asks for water, she simply scoops up some of the standing marsh water with a discarded Coke can and gives it to him to drink.

Nomsa's house is far from the main road, and she does not have a stall. In some weeks, Luleka is able to get a friend of hers who has a stall on Modderdam road to sell some smilies on her behalf. But for the most part they rely on a local clientele who know them, and all of whom live at most a street or two away from them. So their customers are people who come back again and again. (When people buy smilies, another informant told the team, it is often important for them to know who cooked it. If your house is not clean, people will be reluctant to buy your smilies.) Very often, people do not have money to pay for the smilies, and in those cases they are given the smilies on credit. This is a risk, because sometimes people don't pay you back; and sometimes you have to go and get the money from them. And Nomsa does not charge higher prices for smilies sold on credit: it is a situation where if you are not willing to give credit, you do not make the sale. The team estimates that on the basis of the numbers Nomsa and her friends provide they make about R150 in profit a week.

This account of Nomsa's business highlights some aspects of what is required to keep afloat even an activity to which there are few barriers to entry. In the first place (as in the case of Vusi's paraffin selling - see Case Study 7 on p. 51), what gives Nomsa and her friends the edge is simply the ability and willingness to invest huge amounts of labour and time for very small returns; spending hours securing a free fuel source. Secondly, as in the case of Mam Thandi's little spaza (see Case Study 8 on p. 53) the business relies for most of its clientele not on a relatively anonymous 'open market' of passers-by in the road but on a network of acquaintances who know Nomsa and Luleka. A third typical issue central to the survival of a business is the need to be able to give credit (and recover debt), about which we will say more below.

Not all self employed activities are as marginal or rely as heavily on the simple ability to input large amounts of labour for low returns. One important exception, for example, is provided by the taverns described in the case study of Vusi above and in the case study of the well established tavern on p. 101 below. But running a tavern involves significantly higher risks: not only is one exposed to police harassment and corruption, but one has to be able to put up with and contain the greater risk of violence from drunken customers. Though four of the case study households were involved in selling alcohol, four more specifically ruled it out as an option because of this risk.

5.4.3 Synergies, leveraging and linkages

A second important feature of the 'survivalist' informal economic activities revealed through research was their supplementary and complementary role within a portfolio of other activities to which they were linked in complex ways. But for the most part, a key feature of these activities is that they were not clearly distinguished from the domestic economy of the households: most of the households involved in informal retail, for instance, could be characterised either as 'selling their groceries' or as 'eating their stock.'

Case Study 18: 'My children eat the spaza'

Sindiswa Mashiwane is the neighbour of Mam Thandi, the spaza owner described on page 53. Though they both run spazas, they are not in competition, and have designed their businesses to be complementary: while Mam Thandi sells sweets, cookies and chips, Sindiswa sells food

and other household necessities. Like Mam Thandi, she has survived like this for many years, but her spaza activities have never led to prosperity.

One big problem has been crime, which indeed caused her and her husband to close down their spaza for a time (see Box 2 above) another has been simply that she sometimes had to spend the money from the spaza to feed the children; and then the business would be going slow. Moving to Khayelitsha has solved the first problem: they now have a



Figure 8: Sindiswa in her spaza

brick house, which is substantially more difficult to rob, and they sell to customers through a window protected by wire mesh. But her family is still, as she puts it eating the spaza. This is particularly unavoidable during her numerous visits to the Eastern Cape. Each time she goes to the Eastern Cape, she explained to the team, it kills the spaza. When the team visited her, two months had already passed since her previous visit, but the shelves were bare except for a few boxes of matches and some bottles of vinegar. Part of the problem was also that she was in any case grievously short of cash, and it seemed that a lot of what spare cash they had was spent medical care for her husband, who had suffered a stroke some years previously, and she had not been able to replenish her shop.

The important issue here is that survivalist enterprises in this kind should not be evaluated through an SMME lens: the lack of distinction between the household economy and the ‘business’ should not be seen as evidence that Thandeka or her peers do not understand ‘business principles’ and need training in entrepreneurship. Her difficulties in creating a ‘business’ separate from the economy of the household stem simply from the harsh realities of poverty. This does not mean her business strategy failed; it simply means that utility of her informal economic activity should not be seen in terms of its potential to become the seed of a formal-like, profitable business but also in the way it allows participants to leverage and supplement scanty domestic resources, ‘reproduce’ and increase what income there is, and cope with shocks.

The lack of separation with the domestic economy is only part of the story. Most of the informal economic activities in the study were not self sustaining, but depended for their continuation on people’s ability to leverage one activity through another, or to create complex synergies between activities. In some cases, as in the example of Mam Thandi mentioned above, a single person or a single household engaged in a wide range of activities that supplemented, complemented and fed each other - cash from looking after neighbours’ children or doing their washing providing resources to buy stock for the shop. In other cases, funds from formal employment or from a social grant supplied the cash that enabled informal economic activity to keep going.

Case Study 19: A well established tavern

Dickson K and his family live in a corrugated iron shack (just up the road from Khumbuza M, the lay preacher described on p. 50) with his second wife, Bongisa, their child Asa and his children from a previous marriage. When Dickson is not at work his bakkie is usually parked in front of the shack, a shiny blue Toyota Hilux bakkie with Kaiser Chiefs written in gold lettering on the back of the canopy. Part of the shack is a large tavern, a long room that runs the length of the shack, one wall totally obscured by beer crates. Inside the tavern are two large plastic garden type tables and improvised benches made from kitchen counter post-formed tops resting on crates. A few SAB promotional posters and a large TV constitute the décor. The kitchen abuts the tavern portion of the shack, and contains a fridge and chest freezer.

Dickson does not run the tavern. He is employed as a carpenter by a company that installs kitchen cabinets, a job that earns him about R700 a week, a tidy income that is supplemented by Asa's child support grant and their informal economic activities. Some of this income is earned with the bakkie – Dickson apparently takes some of his colleagues in to work every day, for which he charges them R170 each, per month. The tavern is mostly run by Bongisa, a shy and self effacing woman he met at a Kaiser Chiefs game and whom he married in 1999. (According to Bongisa, before she was married to Dickson, the tavern was run by his children, the oldest of which was not more than 16 at the time). Bongisa runs the tavern with quiet efficiency, allowing customers to help themselves to beers in the fridge and noting their consumption afterwards in a credit book; on Fridays, when they get paid, they are required to settle their debt. According to Bongisa, she leaves the collection of debts to her husband. They purchase in the region of 40 cases of beer in a week, and when business is good they will purchase an entire pallet of 66 cases, which costs more than R4000: besides earning money by taking colleagues to work, the bakkie is of course also key to the tavern business, helping them save the significant transport costs.

According to Bongisa the tavern is very well established: Dickson has been living in the shack for a long time, knows all the neighbours well, and is well versed in the people skills that give him his competitive edge. He maintains co-operative relationships with the other tavern owner in the street (they help one another out by purchasing stock for one another on visits to liquor stores) and handles his customers adeptly – a key skill, according to Bongisa who says that knowing how to deal with drunk or difficult customers is an important part of running a tavern. Drunken patrons can be difficult, and can accuse one of not giving them their change back: she responds to this by not fighting with them, but telling them to come and fetch it the next morning. When they come the next day she reasons with them when they are sober. She also explained that although Richmond is not a 'big drinker' he will sit and have a drink or two with his patrons. Apparently drinkers do not like it when one does not drink, it makes one appear aloof.

A rather bigger problem is their relationships with the police. Their KHASE license has been cancelled, and they have been told they must join Nafcoc; apparently as consequence of this they were, at the time of the interview, being raided almost every weekend and have lost a lot of stock. Although they have to close only at 9:00 PM the police some come before the stipulated 9:00 PM; indeed, they were raided at 6:00 PM a few weeks ago. According to Bongisa the SAPS either take the alcohol or pour it into the ground. They, and other tavern owners, have raised the matter with the local police and have been told that only police vans that have 'Site B SAPS' written on the side ought to be patrolling this area. Bongisa believes

that these raids were being conducted by opportunistic policeman from elsewhere: the police have also have been known to take wallets and cell phones of the shebeen's patrons.

What is significant about Dickson and Bongisa's story is the way in which their different economic activities and assets complement one another. Without the reliable and steady income from his formal manufacturing sector job, Dickson would probably not be able to afford the bakkie - and the ownership of the bakkie plays an important role both in the unofficial taxi service he provides for his colleagues and in transporting liquor to and from the tavern. It is also worth noting that besides the human capital constituted by Dickson and Bongisa's interpersonal skills, their business is also supported by their long history of local associations: both customers and tavern owners are known to each other, a fact that aids considerably in credit management and in their relative safety from crime - other than crimes perpetuated by the police, that is. In section 6 we will return to consider in more detail the importance of social capital and the implications of how it is distributed. For now, it is simply important to note the synergies between the different activities. The key to Dickson and Bongisa's success is not only that they have significant resources of one kind or another - it is their skill in using one resource to leverage another so that the whole is more than the sum of the parts. This process, as we shall argue later when we discuss both how a well off household prospers (Case Study 20 on p. 107) and how a much poorer household manages to make ends meet (Case Study 21 on p. 109) is central to understanding both success and survival.

5.4.4 Informal activity, social relations and credit

The lack of separation between informal 'enterprises' and the domestic economy of 'households' highlights the way in which the conduct of informal economic activities is shaped by the social relations within which people operate. To the extent that 'social capital' enabled people to make strong claims from family or household members, it played a key role both in enabling informal economic activity and limiting it. The stories of Mam Thandi (see Case Study 8) and Mamzoli Mashiya (see Case Study 5) show one important way in which this works: there, the sustainability of an informal economic activity depends on the ability of Mam Thandi and Mrs Mashiya to get kin or household members to contribute unpaid labour time to the conduct of the business. But when the 'enterprise' cannot be protected from demands for resources by family and household members, the business can fold. What is true 'inside' the 'household' is also true in relation to the markets in which informal economic activity was conducted. We have already noted how the ability to compete depended not on classic forms of competitive advantage (e.g. better value or lower prices) but also on the social networks to which people had access and on which they relied for custom. Another important way in which social relationships shaped the prospects for and conduct of informal economic activities was through the dynamics of credit. Here, we are not talking about the need *for* credit on the part of people involved in informal economic business.

Indeed, very few informants at all mentioned the need for credit as a major constraining factor, and the CPRC survey, as we have mentioned, indicate fairly low levels of business-related indebtedness (see p. 87 above). But quite often

informants did without prompting highlight the difficulties posed by the fact that they needed to give credit.

This should not really be a surprise. In a context where informal economic activity is pinned to impoverished areas, and where supermarket chains easily 'suck' large amounts of money out of the local economy, staying in business often depends on one's willingness to give credit - and one's ability to recover it (see Box 3). As can be seen from the case study of Bongisa and Dickson's tavern, and from the quotes in the adjoining text box, sustaining informal economic activities therefore required careful and astute credit management strategies. This has important implications. Quite obviously, this reliance on credit is another factor that means that even for very low level marginal activities, business is mostly conducted between people who know one another: extending credit to someone one does not know is risky. But beyond this, one's ability to pursue a business is also crucially affected by social identity and social relations. More than one informant, for example, highlighted that gender played a major role in one's ability to collect credit, holding that 'a man can't "collect" a woman' or, inversely, that a woman could not "collect" from a man. This has important implications particularly for the ability of single female household heads to participate in informal economic activities. Nor is gender the only ground of disempowerment: being a cultural outsider would also make it hard to collect credit, as the example in Box 3 of Delia S, a young coloured woman living in Khayelitsha illustrates. As in the case of Dickson and Bongisa's long-running relationships with their neighbours,

[K***] has worked as a petrol pump attendant on and off for many years. At one point they tried to supplement this income by selling meat. They own a chest freezer, which is in a cousin's house. They tried to sell chicken pieces, but this was difficult because people took meat on credit. They also bought two whole cows, using the income from K***'s job. The first cow was bought for R1700 from a farm on the other side of Durbanville: K hired a bakkie to bring it back to Khayelisha and paid for it to be butchered at Landsdown road butchery. He sold the beef for cash and on credit. This worked, so in 2002 he bought a second cow for R1600. But he lost money on this; too many people took meat on credit but did not pay it back. (Ky 156)

Thando lives with her father, surviving off his retrenchment package from Iscor and agriculture. She supplements their income by selling clothes. She travels to Durban via two busses (first to Matatiele R15, then to Durban R80 for a single trip; and there is a surcharge to bring the clothes on the bus). She buys from the factory shops in Victoria road. She goes around the village and sells these, sometimes on credit. Sometimes debtors 'run away' and she is unable to collect the debt' (Mf 072).

Jabulani Rhotso lives on his own in a tiny shack on the verge of busy P*** road in Khayelitsha. He survives by doing piece work in the construction trade. He used to have a fruit and veg business - it was right next to his shack, on the verges or the roaring thoroughfare - but that failed. The reason why his fruit and veg business failed was because his wife left him, so now he can't collect the credit. He says many of the women who used to buy from the business were women, and he had to give them credit. 'And a man can't collect credit from a woman. A woman has to collect credit from a woman' he explains (Ky 310)

Nonzwakhazi M is visiting her daughter in Khayelitsha, who used to make sell tracksuits, but who now works in a clothing factory in Mowbray. According to Nonzwakhazi the reason why her daughter chose to change from dressmaking on her own account to working in a factory is that people used to get dresses on credit and then not pay her. She says says that the reason for this is her daughter is too sweet, so people take advantage of her. Nonzwakhazi says that she herself would not be so sweet: if it is necessary to be rude she will be rude. If you are in business you need to be rude. Furthermore, she confirms that gender plays a role. She cannot confirm Jabulani's assertion that it is hard for a man to collect from a woman but she does say that it is hard for a woman to collect debts from a man - if you are rude to a man, he will shoot your or beat you. (Ky 164)

Delia S, a 'coloured' woman, lives with her boyfriend Vusi who works at May Recycling, a plastics factory in Maitland. When she is asked what would be preferable, having a regular job at a place like May Recycling or being self employed she says she would not survive if she had her own business because she would have to give credit. She used to braid hair when she lived in Scottsdene and she says there are 'many heads walking around there' that she braided that she never got paid for. She does not have the ability to be hard and say, 'no, you have to pay me now'... It takes time to braid, and people will want credit. And with her not having Xhosa and being an outsider the community would just take advantage of her ('*dan gaan hulle gaan my nou eers vertrap*'). The work at the recycling plant is very hard, but at least she knows she is getting her pay at the end of the week (Ky 089).

Box 3: Some examples of the difficulties of having to give credit

all these factors highlight the importance of understanding in detail the nature of the social relationships which constitute the context of informal economic activities of whatever kind.

5.5 Overview: the dimensions of economic marginalization

The previous pages have sketched some aspects of the broader economic context against the background of which the people surveyed in the study had to make a living. Before looking in detail at their coping strategies and plans, it would be useful to draw together some of the threads of argument so far and to highlight the most important features of the ‘vulnerability context’ created by these factors.

(1) Fragile links with the formal economy: Perhaps the most important issue that should be noted is the absolute centrality of the formal economy to the livelihood strategies and prospects of everyone in the study. At first sight, this seems like an obvious and trite point to make, but at the same time it is of central importance. *All the households in the study that were doing well, and that seemed likely to remain that way, were households that either in the past or in the present had been able to secure a reliable and significant income by way of access to steady paid employment. There was no non-poor household whose ‘success’ did not depend in some measure on its success at gaining access to the formal economy.*

On the basis of the data gathered this seemed true also for those who were heavily involved in informal sector activity. Where people were able to make a decent living out of agriculture or informal sector activities, it was on the back of formal employment. No household had ‘powered’ its way out of poverty by relying *solely* on informal activity or agriculture. In the case of agriculture, this could be due to local factors: the district in which research was conducted had limited rainfall, imposing risks and constraints on the potential for agriculture. Certainly there are studies that highlight instances where rural communities have built up significant wealth as a result of agricultural activity unsupplemented by urban wages (Patrick McAllister, pers. comm.) but those cases seem to be relatively isolated, and depend on the powerful mobilisation of cultural capital in a particular region. The material gathered by this project seemed on the whole to suggest that far from a ‘second economy’ disconnected from the first, informal economic activities were intricately dependent on ‘formal’ sector work.

But while access to formal and steady employment was absolutely vital to their chances of getting out of poverty in the long run, every indication is that these footholds in the formal economy are increasingly scarce and fragile. As the low levels of access to paid employment and the high levels of reported job losses quoted on p. 86 show, losing work was something that could happen quite easily, and for households that are so dependent on the steady stream of cash, the knock-on effects can be significant.

(2) Monetization, cash hunger and ‘adverse incorporation’. The central role of paid employment and the implications of its scarcity and insecurity is attains particular importance in the context of the crucial role of money to day-to-day survival. Again, this may sound like a trivial point, but it is an important one. Daily life in South Africa, even in the remote rural areas and even among the poor, costs money. This is particularly true in the urban areas, but it is true in the rural areas too. Not only is cash needed for a host of daily necessities even in the deep rural areas (travel, electricity where it is available), but *other forms of exchange*

between poor people in daily life is heavily mediated by money. To be sure: people did lend and borrow things, and did exchange favours and services in an informal way, but our research on informal economic activity and exchange did not seem to indicate the existence of any kind of well-developed and relatively independent barter economy. While people might exchange ‘small things’ or do one another small favours, and though there were many instances where people performed menial tasks for food or help we did not encounter any instances where people could for instance, use mud-bricks to pay for a taxi ride, for electricity, for a phone call, or for a 12.5 kg sack of meal. Access to most of life’s necessities required cash.

(3) The centrality of understanding vulnerability and coping strategies: Pro-poor policy in South Africa is focussed not simply on ameliorating the harsh effects of poverty, but also on addressing the disempowering dynamics that drive poverty. In this section we have explored some of these disempowering dynamics, and have suggested that poor people in South Africa, far from being relegated to a separate economic realm disconnected from the ‘first economy’, are thoroughly enmeshed in the formal economy - if not as producers, then as consumers - and dependent on it. Though they are in many ways socially excluded, e.g. through remoteness and institutionalised forms of discrimination (e.g. the disadvantage faced in urban service oriented economies by those who cannot speak English) this is a form of social exclusion that operates within the context of broader economic incorporation.

In addition, these examples highlight further reasons for revising the notion that the ‘second economy’ is somehow defined through disconnection and separation from the first. Rather than existing in a separate economic realm, informal economic activity was very closely related to formal economic activities or to other ‘formal’ ways of getting money (e.g. grants).

This also has implications for our understanding of the potential of informal economic activity to alleviate poverty. If linkages to the formal economy is one of the crucial empowering and enabling conditions for informal economic activity, this means that those who are most marginalised in terms of formal employment are also the most disempowered in the informal economy. Those at the very bottom of the pile have the least resources to be able to compete and sustain informal economic activities.

This suggests that societal action to address poverty should not be premised on the assumption that the challenge is simply about ‘integrating’ people into the ‘formal economy’ (they are already integrated) *or* about making them independent of it (200 years of history would have to be reversed in order to do that); but to ensure that the terms upon which people engage with the formal economy are more favourable. This however requires detailed knowledge, not merely of the structural features and social dynamics that disempower people, but also of the strategies and arrangements poor and vulnerable people have developed to deal with these realities. This is what we turn to in the next section.

6 MANAGING VULNERABILITY: AGENCY AND ‘SOCIAL CAPITAL’

6.1 Vulnerability, risk and livelihood strategies: understanding agency at the margins

In the previous section we discussed at some length some structural aspects of the economic context of vulnerability in the Eastern Cape and in Khayelitsha. We argued that the evidence supports those who question whether there is a ‘second economy’ systematically separate from the first. Rather than explaining poverty through conceiving of people as simply disconnected or excluded from the mainstream economy, they seem solidly incorporated in it. Their problems seem to flow not from the lack of connection but from the nature of those linkages. Many of these linkages are of such a nature that they render poor people dependent on broader systems of production, distribution and exchange within which they have a disadvantaged, marginalised or disempowered position.

In this section we explore some of the ways in which the people surveyed in the study dealt with these challenging social and economic realities. This analysis involves recognition of the inventiveness and agency of poor people - the way in which different people, when faced with similar circumstances can adopt very different ways of dealing with them, leading to very different outcomes. It also involves recognizing that this agency is always *historically situated*. The ability to cope with poverty or not is simply an individual characteristic: people very rarely behave like the decontextualised, acultural, ahistorical individuals supposed by a disembodied modelling exercise. Rather, they inherit and benefit from more broadly transmitted forms of ‘cultural knowledge’ and social meaning – assumptions, frameworks, action repertoires, cultural and spiritual resources, and collectively shared experience about what works and what does not – that have evolved over time in particular historical contexts.

For this reason it is again important to stress that we are once again not talking about the ‘coping strategies of the poor’ *in general* - as if these are universally true of people’s behaviour when faced with the difficulties we have described here. In other South African contexts these patterns may very well be different. In the consideration of policy implications one will have to draw careful attention to which aspects of our analysis seem to hold true for other contexts, and which pertain largely to the Eastern Cape and Cape Town’s African townships.

Most of this chapter will deal with what is commonly referred to as ‘social capital’ - the ways in which certain kinds of relationship and shared history allow people to co-operate, mobilise help, and to make claims for help and assistance. But how people use social capital is, as we shall show, deeply dependent on the other strategies and arrangements they have developed. Before we discuss ‘social capital’ we therefore begin with a general discussion of the broader ‘menu’ or repertoire of underlying strategies, arrangements and coping strategies brought to light by the research.

6.2 Some key strategies

In this section, we survey some of the general strategies and arrangements that seemed to be in place in many of the households we studied. Some of these will be familiar from the case studies and arguments in Sections 4 and 5; but here we consider how they work as strategic responses to the challenges of survival at the edges of the formal economy. Not every strategic response was present in every household: indeed, some of the responses embody a range of different options. In addition, these strategic responses were often not explicitly articulated as such by informants. What follows is *an interpretation*: an attempt to highlight patterns in the data elicited through research, and to show how these patterns can be seen as rational responses to the challenges that flow from the vulnerability context.

6.2.1 Developing a range of livelihood activities

One key strategic issue is the ways in which individuals seemed to combine the portfolio of livelihood activities in which they were involved. Here, it should be said there was a range of variation. Sometimes households were involved in a *wide range of activities*, all of which contributed to their overall survival.

Case Study 20: A household more than the sum of its parts

Siyanda and his family live in the distant rural village of Phuzayo. The household is a nuclear family, consisting of 46 year old Siyanda, his 41 year old wife and their five children. The three eldest children are attending school outside of the village, while the youngest two children a 12 year old girl and a five year old boy live at home. Their homestead consists of several sturdy mud brick structures, including a large, well build house with a deep verandah, flanked by bedrooms on either wing. The interview was conducted in a tidy kitchen, complete with new gas stove, although the household also has a lounge type reception room furnished with new chain store furniture.

The relatively comfortable compound bears all the hallmarks of extended labour in the formal sector. Siyanda first left the village in 1976 to work on a mine in Rustenburg, returning the village following year to be initiated. In 1978 he began working in a Johannesburg gold mine, where he worked as a winch driver for 11 years. He married his wife in 1982 and remitted money to her via post or people traveling to the village. Throughout the 1980s his wife made the sun dried mud bricks out of which the homestead was built. Siyanda's employment ended abruptly in 1989, when he was severely injured in an accident. A heavy winch cable snapped, the backlash knocking him unconscious and severing his left leg. After convalescing in mine hospitals for two years he was medically boarded and returned to the village. In 1992 he received a payout of R12 000 from the mines, which he has used to complete the construction of his current house, acquire livestock and school his children.

The family's income consists of two state disability grants (for Siyanda and his 15 year old daughter), a child support grant for the youngest child and a mine pension of R400. The state grants are paid out at a store in the village; the mine pension into a bank account in town. Siyanda and his wife travel to Mount Frere once a month to withdraw the money from the bank account and buy about R300 of groceries. This comparatively tidy income is augmented by produce from the planting field and a homestead garden that Siyanda and his wife cultivate. They harvest enough maize for most of the year, along with vegetables. Despite Siyanda's stiff gait (he wears a prosthetic leg, but walks unaided) his commitment to agrarian production is evident in his newly built ox draw sledge and the regularity with which he tends his fields. Siyanda has five head of cattle (acquired when he retired to the village), but

usually pays (R400) for a tractor to do the hard work of ploughing his field. He uses two of his suitably trained oxen combined with four of his neighbour's animals for light ploughing, to draw the sledge and to collect wood. This pooling of oxen into a workable span is however far from the full extent of the household's alliances and synergies with others.

Siyanda's eldest 22 year old son lives with his aunt and uncle in Tembisa, where he is repeating matric. This son has reportedly always been the favourite of his Tembisa-resident aunt, who only has daughters of her own. Although the son was last in the village in mid-2005 to be initiated, he favours 'Johannesburg' over the rural Transkei and has indicated he has little intention of relocating back to the village. When questioned on his son's plans for next year, Siyanda explained that he does not have money for 'tertiary' [education], but perhaps he will pay for his son to complete his driver's license. They send R400 a month to their son; via the bus driver of a long distance bus (the bus driver and Siyanda's sister in Gauteng know each other).

The next two oldest children, a teenage boy and girl are both attending school in Mount Frere, a two hour bus ride away. They live with a maternal aunt who works as a clerk at a hospital, and who has three children of her own. Siyanda's wife, in turn, assumes responsibility for maintaining her family's traditional family home (airing and cleaning it) that is occasionally used for traditional ceremonies. She also skillfully brews the 'umqombuthi' (traditional sorghum beer) required at these occasions.

The first of the two teenagers living with the aunt in Mount Frere is a 20 year son who is in grade 10 (old standard 8). He returns home every weekend, but avoids paying the bus fare by helping with a young man's work of loading all manner of items (luggage, groceries, 25 litre drums of paraffin, bound livestock, building materials, furniture etc) onto the high roof of the bus. This arrangement is facilitated by the fact that his family is distantly related to that of the bus owner (a distant cousin, by marriage), who live adjacent to them. (This is the same household whose oxen Siyanda pairs his with, in order constitute a full span). However these long standing links do not automatically assure the young man of complimentary transport. Instead they confer the opportunity for him to enter into the web of reciprocity, where his assistance loading an unloading is rewarded with a free ride.

The second child schooling in Mount Frere is a fifteen year old daughter. Her eyesight and hearing are described as poor and she has always struggled to carry heavy weights on her head in the aftermath of 'tonsils' (lay descriptions of ailments tend to correspond poorly with a formal biomedical nosology). Although she is reportedly intellectually on par with her cohorts, her ailment is serious and she receives a disability grant. Her aunt, as a clerk at a hospital and therefore better acquainted with the world of medicine, took the child to Mthatha to get spectacles. The aunt further assists by taking the R35 per month that Siyanda's wife pays towards funeral insurance and depositing it appropriately. It is a measure of this apportioning of tasks, and Siyanda's unquestioning faith his sister-in-law that he expressed ignorance of the pragmatic details of these arrangements. He wasn't even sure with which company they had the funeral policy.

The story of Siyanda and his family shows something of the complexity of the process whereby a household uses a multitude of complementary activities and resources to make ends meet. Siyanda's accumulated assets, his disability grant, his agrarian production, his wife's mud-brick making, and his son's work and his relative's assistance are all part of the picture. Developing a portfolio of livelihoods activities also allows households to manage the adverse consumption effects associated with seasonality and to mitigate these. For example many of the survivalist activities such as collecting grass (for thatching) or making sun

dried mud bricks are activities easily disrupted by inclement weather and the rainy season. But as important as the ability to reduce risk and the impact of seasonality through diversification is how these activities complement one another. The availability of cash in the household is key to their ability to invest in agricultural activity, allowing them to pay for mechanical traction. The fact that they own some cattle puts them in a position to trade favours with their cattle owning neighbour. These links of reciprocity are also essential to his son's ability to get free rides on the bus. Note here how these long standing links do not automatically assure the young man of complimentary transport: Instead they confer the opportunity for him to enter into the web of reciprocity, where his assistance loading an unloading is rewarded with a free ride. Similarly, the long association and relationship with his sister in law facilitates the relationship by which she is entrusted with the grant money. Part of Siyanda's success clearly lies in his industriousness over the years. But as important is his and his kin's ability to processes of exchange and reciprocity that allows them to leverage these resources to greater gain.

Further examples are provided by the story of Dickson and Bongani's tavern (see p. 101) or the Radebe case study referred to on page 67. These cases illustrate the way in which successful households could benefit from a dynamic in which success could 'snowball' and allow a situation in which the household's livelihood strategy as a whole was in a sense more than just the sum of its parts. Here relatively large households with significant resources could reach a critical mass: while these resources meant that the household attracted or retained members who could make demands on those resources, this also constituted an opportunity: their services and labour could be spread across a large range of activities, and thus could improve the bargaining position of the household as a whole.

Two things seemed to be part of the ability of these households to reduce risk, leverage scant resources and create internal synergies. One important factor in these cases seemed to be that the household had control over significant material assets, often the result of investments of saving from involvement in the formal economy. But as important was the *internal organisation* in these households: they were characterised by having a clear centre of familial authority - usually a patriarch, but sometimes a matriarch - and a by the fact that the person who exercised that authority was in fact *able* to direct labour and resources effectively and skilfully to allow long term accumulation and savings. This last is an important point - what is central here is not so much the mere existence of a centre of authority but the underlying co-operation that gives a 'patriarch' or a 'matriarch' his or her power. The ability of household members to co-ordinate and co-operate, indeed, seemed to make an important difference even in marginal situations.

Case Study 21: The Mashiyas: doing so much with so little

The Mashiyas are a household of four generations of women who occupying a very modest homestead in Phuzayo village. They consist of: Nolinda (a great-grandmother in her eighties), her daughter (herself a middle aged grandmother) named Bulelwa; Bulelwa's 33 year old year old daughter, Thandeka; and Thandeka's 11 year old daughter, Sibongile. The women, ranging from great grandmother to grandchild, live in a small compound consisting of three small mud block huts in a distant village of Phuzayo. Courteous and hospitable, the three adult Mashiyas were confident and loquacious respondents. They seemed never to tire of talking to us, even after half a dozen long interviews.

Their life histories contain a number of obvious commonalities: all three have worked as domestic workers outside of the village, and all relate narratives of abandonment by male partners. It is in part this long absence of male breadwinners remitting money from the formal economy, which has patterned the material poverty of the household. The household was, for instance, one of the very last to move to the current village under a process ‘betterment’ (basically a process of compulsory villagisation) in the 1960s. Households that moved late appear to have done so under much more adverse terms than the first of the relocating households. They were often less able to absorb the economic shock of rebuilding houses and may well have had a less favourable choice of sites. Therefore the Mashiya’s account suggests their current material circumstances have endured for decades.

Although a number of points can be made in relation to the Mashiyas, amongst the noteworthy is a paradox that the research team grappled with. Simply put, the Mashiya’s seem to do so much with so little. Despite being income poor and subsisting on little more than a single old age pension and the odd remittance, they make provision for healthcare and have invested in improving the quality of their accommodation.

The Mashiya’s income consists of a state old age pension of R780, some petty informal trading (described in more detail below), and some small and erratic remittances from Bulelwa’s son or her married sisters (averaging out at about R150 a month). Finally, while Sibongile received a few months of Child Support grant payments, it ended abruptly. The Mashiya’s efforts to get it reinstated have thus far failed.

All of the adult Mashiya’s have worked in major urban areas as domestic workers at various points in their lives. Typically taking ‘live in’ positions, the resultant savings on accommodation and food costs have often allowed them to remit a large proportion of their salary. (Bulelwa spoke of remitting up to R450 out of a R500 monthly salary). Amidst the uncertainties and vulnerability of domestic work, favourable employment opportunities are coveted and not simply discarded with changing personal circumstances. For instance, when Sibongile approached school going age and with her great grandmother Nolinda grew frailer, it was decided that Bulelwa would return to the village, while Thandeka would take her place as a full-time domestic worker with favoured employers in Durban. Thus two generations of the Mashiya family effectively swapped jobs, reconfiguring their labour to satisfy middle aged Bulelwa’s desire to return to the village and the family’s care burdens

What this enumeration of income and work history does not fully reveal is the general respectability the Mashiyas command within the village. Nombuluelo is the ‘chairman’ of a recently established local agriculture development project. Although unremunerated for these efforts and owning no garden or livestock of her own (apart from two pigs), she diligently tends the communal fields during growing season. Uncertain of what the final benefit will be, she explains the household has ‘eaten [vegetables] from the project’. In addition, both Nobmulelo and her daughter Thandeka have occupied prominent positions in the complex organisational arrangements required by funerals in the village. Finally, the frail yet lucid Nolinda is occasionally consulted on how to appropriately conduct various traditional ceremonies. These various roles and the collective respectability that accrues to the Mashiyas, suggests their ability to transact extensively in the world of mutual assistance and borrowing.

A key factor in the ability of the Matyenis to survive is the way in which they are able to leverage their scant resources. A powerful example is provided by the way in which they finance their paraffin purchases. When they receive their grant, they carefully keep separate the change left over after their major monthly grocery purchase. This change is used in a very specific way: the use it to buy sweets and chips. These they resell to neighbours in the village, and then the returns are used to buy paraffin. Their attention to creating small separate ‘pots’

of money, each with its own purpose and area of application, speaks of the attention and intention they devote to managing their scant resources.

Another remarkable aspect of their expenditure is the way they have engaged with provisioning for upgrading their accommodation and health related expenses. The current refurbishment of a mud block built hut required about R3000 worth of building materials (corrugated iron roofing, timber, doors and windows). These were sourced from a hardware store with a small deposit. The Mashiya's regular pension income was clearly part of what managed them to convince the hardware proprietor that they were a sound credit risk. Their evident respectability and *isidima* evidently plays an equally important role: the Mashiyas are well regarded in the village, and they will not renege on a debt, even if repaying the balance takes many months. Expensive though it is, it is a wise investment: the replacement of a leaking thatch roof on the hut with corrugated iron will not only improve the quality of their lives (in an area known for winter snowfalls), it will free them from the ongoing labour of renewing the thatch.

In addition, the Mashiyas estimate that between R100 and R150 is saved every month and drawn on when elderly Nolinda Mashiya occasionally falls ill. Although there is a clinic within the village it is considered by many, including the Mashiyas, to offer a relatively poor quality of care (a clinic sister conceded that drug shortages were common). Moreover any serious ailment or referral to hospital would rely on the chronically unavailable district ambulance. Instead, the Mashiyas reason, it is best to catch the bus or hire a vehicle to get Nolinda to a private doctor in town. While their concern for elderly Nolinda is doubtlessly motivated by concern and a sense of filial duty, her enduring health ensures the household of the pension that constitutes the bulk of its income.

The Mashiyas' story highlights the importance of intra-household co-operation and negotiation in the wise management of scarce resources. Two points are particularly important. The first striking aspect of their story is the care and ingenuity with which the pension is managed. Though poor, they have managed to preserve a level of dignity and internal caregiving that have eluded wealthier, but less organised households. The second is the profound fragility of the equilibrium that they have managed to construct. All that keeps this household from dissolution and destitution is the pension. Should Nolinda die the centrepiece of their carefully constructed strategies for survival and dignity would be removed. Key here is not only the relative generosity of the South African pension, but also its regularity.

Here, however, our attention is focussed primarily on the way they are able to manage this resource. With a pension their only regular source of income, they are not only able to survive and care for the child even though their child support grant has failed; they are also able to invest in building improvements and buy private medical care for their eldest member. Key to this has been their ability to make good joint decisions. The 'job swop' organised by the Mashiyas and described on page 110 above is a case in point: a difficult conundrum - balancing the needs of different members of the household and the challenge of ensuring both remittances and a cash income - was resolved by re-allocating household members within the extended spatial network created through migrancy.

This last point is quite important. Having someone 'in charge' of the household was not a sufficient condition for success even where the household did dispose over significant resources. The household of Themba Mhlaba (page 89) is a case in point: even though this household had access to a regular resource flow in the form of the

household head's headman stipend, his alleged pattern of substance abuse seemed to be one of the factors which squandered this resource, significantly detracting from their overall well-being.

Not all households were pluri-active in this way. If household where additional reported activities or sources of income are minimal are discounted (and if reliance on grants and involvement in subsistence agriculture is taken into account), there seem to be at least seven households in the sample that seemed to rely almost exclusively on one key activity or source of income without significant supplementary activities. A number of key points emerge. Firstly, all of the households that were heavily reliant on a single source of income were urban. This partly reflects the fact that involvement in agriculture was usually sufficient to allow the Mount Frere households to be classified as pluri-active - a reasonable decision, since even when agricultural activity played only a supplementary role it would often still embody a significant commitment of resources and labour time. Secondly, the households listed below seemed to embody a significant economic spread, ranging from the poorest and most marginalised household (Nomsa B's household, Ky 006 in the table below) to those with the very highest levels of income and well-being (Ky 169). There seem to be three groups. One group, constituted by Nomsa B (Ky 006) and Neliswa M (Ky 166) are rural-disconnected, female headed households that do not dispose over significant amounts of spare internal sources of labour, and who rely on a labour intensive and low-margin activity for survival - cooking smilies. A second group is constituted by households - Ky 169 and Ky 098 (the household of Xolile and Nontuthuzelo M) that are heavily reliant on formal sector employment, and who, *while not currently pluri active as a local unit*, are investing heavily in building up a homestead in the Eastern Cape. They seem to have little spare labour locally, but should their long-term strategy work, they will have succeeded in setting up a classically pluri-active rural homestead. Another, somewhat distinctive case (Ky 310) was a single person household economically disorganised by the departure of the resident's partner.

Only two households seemed genuinely to be putting all their eggs in the basket of one family member's job. These were Ky 101 and Ky156: both households where the main breadwinners had recently lost their jobs, and were spending their time seeking employment; in the case of one (Ky101) the breadwinner's wife had left Cape Town and had accompanied their child to stay with rural relatives, while in the other, the partner was devoting her energy to child care and investment in education and training. It is interesting to note that at least one of these (Ky 101) had been pluri-active *when he had been holding down a job*, trying to buy and re-sell meat using his salary as seed money.

Table 13: A summary of non-diversified households

Household	Key economic activities	Household structure and context
Ky 006	The household head's main activity is making and selling smilies. There is no other significant source of income other than a child support grant	Household is composed of the single female head and her minor children
Ky 098	The male household head works for a company that installs swimming pools. His wife reports no other informal activities; she also says she has no friends in Khayelitsha and has rarely been outside Site B.	Household is composed of the household head, his partner and their minor children. The partner spends significant time in the Eastern Cape tending to their rural homestead.
Ky 101	No income activity at the time of the study: At the time of the interview he was	Household at present composed of head, his younger brother (20) and his niece (19). Non-

Household	Key economic activities	Household structure and context
	not involved in formal sector work, but was looking for a job in the formal sector, and surviving on loans from family members.	resident partner in the Eastern Cape, caring for children and staying with family.
Ky 156	Household head worked his way up from being a petrol pump attendant to his recently lost job in a printing company. At the time of research were receiving no income - head was looking for work, and his partner was in the last stages of completing her qualification as a nurse. In the past, they have sold chicken pieces from their house, and bought and slaughtered two cows (commercially).	Household composed of the household head, his partner, and their three underage children. Partner provides childcare and is studying for qualification as a nurse
Ky 169	The male household head works as a security guard for the Cape Town Municipality. They deny involvement any informal economic activity. They do however have significant agricultural involvement in the Eastern Cape	The male household head, his partner and their three sons, two of whom are no longer minors but who are still at school
Ky 166	The female household head has lived in Khayelitsha for almost 20 years, and has never had a formal job. She makes a living selling 'smilies'.	Household is composed of the single female head and two children, one of whom is a minor, and one of which is an unemployed adult.
Ky 310	The male head of this household sometimes works with his brother who has a tiling business. He used to have a fruit and veg business but this collapsed when his wife left him	A one-member household.

It does appear then, that most of the individuals in the households studied here actively tried to diversify their activity portfolios, relying heavily on a single activity only if they were 'pinned down' into it by need and labour scarcity (as seemed to be the case with Nomsa B and Neliswa M) or when they were staking everything on finding a well-paying formal sector job: in the latter case other household members had either made use of the 'safety net' provided by rural kin or were investing in their own human capital.

6.2.2 Investing in education and access to the labour market

Our argument thus far has emphasised the centrality of the formal, urban labour market to individuals' and households' livelihood strategies. The first prize for any household was to ensure that one household member had access to a permanent, formal sector job. One powerful testament to the key role this has played in the past was the near-universality of labour migrancy as a key life history component for household heads in the Eastern Cape sample. Every single male household head interviewed in the Eastern Cape section of the study had taken 'the join' as a young adult: the employment history of each one of them reflects, in the span of one person's life, the history of a key phase of unaccompanied male industrialised labour migrancy in South Africa.

Alongside the desirability of securing urban employment was the risk factor. In the absence of the institutionalised routes of 'the join' the struggle to find employment could often be an arduous one. The story of Thandeka Mashiya, whose has already been mentioned in our discussion of the household of Nolinda Mashiya

on page 109 illustrates some of the risks and difficulties involved in leaving the rural context of the Eastern Cape and finding a foothold in the urban economy.

Case Study 22: Caught without help a long way from home - Thandeka Mashiya, Mount Frere

Thandeka, a quiet and softly spoken woman of 32, forms the third generation of the four-generation, matrifocal Mashiya household. She was born in Durban in 1974 but grew up in the village, living in the house of her uncle, as her mother Bulelwa was still schooling at the time. (In fact, she says that when she was young neither she nor her brother knew that Bulelwa was her mother; she remembers the discovery of the truth as a traumatic event). She struggled with school, having to leave for a time because of recurrent headaches, and in 1993 she fell pregnant. When her grandmother Nolinda found this out she was told to visit Bulelwa, who was working in Durban at the time; and her mother in turn told her she could not school any further and had to get a job. She worked for a Muslim family in Durban for a while but left after four months, partly because of her condition but partly because they did not get on. She could not stay at her mother's place of employment and spent a very unhappy time living with her sangoma aunt in Bizana before eventually returning - shamefaced and with her child - to the village.

She attempted to go back to school, but this was impossible. She was again struggling with illness, and both her daughter and her grandmother needed care - a situation they eventually resolved in 1998 with the 'job swop' described on page 110. For some years she worked happily for her mother's (and now her) employers Mr and Mrs S***, even managing to complete one more year of schooling, but this happy period ended (her account is unclear on the exact date) when Mr and Mrs S*** divorced and their household split up. For two weeks she worked for Malawian friends of her ex-employers but this arrangement turned sour.

Suddenly she was in a crisis. She had managed to find employment elsewhere - but that job would only start in two weeks. In the interim she had nowhere to stay. She had made alternative accommodation arrangements with a friend of hers in Montclair but these suddenly fell through. She did not know anyone else in Durban besides Mrs S***, who did not have space for her, and the Malawians, with whom matters had ended in a bad fight. Her clothes were still with Mrs S*** (she says some of her clothes remain there to this day) but she decided that she had no option but to return to her village. She spent the night at the Clairwood train station. She was very unhappy and hungry and it was dark. She did not have sufficient money to return to the village. She reports that at one point she considered 'selling her body' (i.e. engaging in commercial sex work), but then decided against this. After spending a night sleeping rough at the station, she offered her cell phone to a man for R80, in order to get the fare to travel back the village. He gave her R120 for it. She went to the park and washed her face and combed her hair before catching a taxi back to the village. When she told her family about all that had happened to her, they agreed that she should not return to Durban.

Since then she has not had much luck finding or retaining employment. Her troubles with stress, nerves and headaches have returned. In 2005 she turned down an offer of employment as a housekeeper for a (single) Mthaha policeman (she based on her assessment on the job offered, she feared sexual harassment). For six months she looked after a house and a child for a family in Spruitview in Gauteng but the return of her headaches put an end to that. When asked about her dreams, she still says that she does not see herself in the villages. She also remarks that one's health has an effect on one's life. She just tries to take it one day at a time.

When asked what she has done about her headaches, she replies that she goes to the clinic when it is really bothering her. She gets stressed by not having a job.

Clearly there are some rather unique and distinctive elements to Thandeka's story. The recurrent illness which she describes as plaguing her since her teens clearly plays a role in her difficulties both in finding and holding on to employment, and in her interrupted education. In addition, another, more resilient woman may have been less ready to throw in the towel at various key points in her life. At the same time, her story illustrates some of the obstacles and risks that would be faced by anyone in her position. The interruption of her schooling through her pregnancy and the ways in which decisions about care work constrained her (and her mother's) decisions speak to the fundamental role gender and gendered power relations play in shaping her life chances. The fragility and insecurity of her employment and its vulnerability to crises of relationship (the divorce of Mr and Mrs S***, her falling out with the Muslim household and the Malawians, and her fears of taking up employment with the single Mthatha policeman) is also powerfully illustrated. But above all, the story of her night at Clairwood station illustrates the vulnerability of someone at the margins of the employment market in a context where she could not rely on the cushioning networks of kin and family connections. Even though there is no chance for employment in Phuzayo village, being able to attach her to her grandmother's house offers some security and some chance for eking out a livelihood while she gathers her energies for the next attempt to establish a foothold in the formal economy.

The story also casts some important light on the dynamics of membership of households with scarce resources, a theme to which we will return. Clearly her grandmother's pension is part of what makes it possible for Thandeka to return to her maternal home in the first place. Yet it is hard to consider her an idle hanger-on, battenning on her elderly family member's social grant. As our discussion of their co-operation and pluri-activity in on page 109 indicates, she labours within the household, helping eke out the resources on which she depends. And her attempts to continue seeking work, despite the fact that she clearly feels infirm, also speaks to her recognition of her households' deeply fragile position. Should her grandmother die, her family will lose the one slender thread of access to funds that makes their household viable. Sooner or later, they will depend on her ability to find a job.

Clearly linked to the importance of establishing a foothold in the formal economy is the huge emphasis on and the massive investment in education (see Box 4 below). This investment very often did not represent merely an individual position. Keeping people in school and ensuring their qualification takes resources, and can require a high level of investment from the household as a whole. A dramatic example of the extent to which family members will invest in the education of kin is provided in some detail on p. 145 below in the story of Simpiwe Fikile, the son of Mamzoli Fikile whose story in turn is told on page 49 above – but this is only one of a number of cases where pensions or packages had been spent significantly on putting children through school. So important is education that informants would sometimes be continuing to invest money in their children's education even when those children were continuing to fail, or when qualifications had not led to jobs in the past. Although this may seem like an irrational strategy, it clearly reflects a situation where the expected pay-off from an investment is so large that it is deemed worthwhile even when it involves significant sacrifice or risk.

6.2.3 *Securing urban and rural outposts*

Even where households were not characterised by a wide spread of household activities *internally*, they were often part of a distributed kinship network that was.

For rural households, it was important to be connected to an urban outpost: besides being the source of vital remittances, having urban relatives already established can make a crucial difference to the migration hopes of rural people wishing to seek jobs in the urban areas. For urban households, as we have argued rural connections would continue to remain significant: for those who, like Xolile B in on p. 43 above, intended to settle there, keeping a rural homestead going was of vital importance, while even solidly urbanised households would often fall back on rural support networks, for example sending children to stay with Eastern Cape relatives when life got difficult in the urban or - as Thandeka's story in the previous pages illustrates - retreating there themselves if all else failed. Besides being a framework for the redistribution of resources, and a network of links connecting urban and rural contexts, having access to a spatially distributed infrastructure of kin connections played a key role in facilitating mobility - and on the margins of the formal economy, with jobs being insecure and hard to find, it is no coincidence that the most desperately marginalised households seem to be those who are pinned down either in the rural and the urban contexts, unable to move.

6.2.4 *Investing in social standing*

Given the importance of kinship networks, the importance of investing

Babalwa G, now retired, has spent her whole life doing a series of domestic worker jobs. Herself uneducated, investing in the education of her children has been a key aim. Her eldest son, Zuko, appears to have studied either as a mechanic or as a chemical engineer: according to her he worked for Sasol for 10 years before he died in a car accident in October 2004. Her youngest son, Mfundisi, is living in the back of her shack, studying tourism and travel at a local technicon. His fees and expenses are paid for with a bursary: a measured and thoughtful youth, he says that he hopes to get a job either as a flight attendant or as a travel agent, and that he has done a basic course in German to help him with this (Ky 107)

Nombeka M grew up on her grandfather's very successful homestead and was taken under the wing of a dynamic young Catholic priest, who supported her hopes for education in spite of her own family's resistance. When she finished St 6 at the catholic school with a first class pass, the Priest saw to it that she was enrolled at another school, paid for her schooling and arranged for her accommodation with a local family. After a while the priest was transferred away to another parish; his replacement was unsupportive of a young girl receiving education and, seeking to ensure her continued work for the mission, sabotaged her plans to study nursing by hiding a letter addressed to her. Nombeka subsequently went on to have more than one career: she was a successful businesswoman in Crossroads in the 1980s, and when she lost her shops and taxis in the violence, repositioned herself as a development worker. Though she has made a success of herself and is comfortable, her dislike for the priest who wrecked her educational hopes endured even when he was a very old man. [Ky 111]

The Ceba household is one of the worst off households that the team visited in Mount Frere. The male (nominal) household head currently drinks and has been unemployed since the 1980s. Two of their children have matriculated and moved to town, but have been unable to secure anything but piece jobs. In spite of this, the household passes on the lion's share of the three child support grants they do receive to their two grade 11 daughters. When asked why they continue to invest in their children's schooling when it has not paid off in the case of the older children, Mrs Ceba made clear the expectation that the children would help them, and replied that she had not yet given up hope. Maybe when they get a permanent job they will help and maybe these two girls will help sooner. [MF 627]

Box 4: Some informants talk about investing in education

in social capital, and keeping family and other connections alive and warm, can be seen. Skuse and Cousins, for instance, have argued that poor urban and rural people invest a significant amount of resources in communication - simply staying in touch with far flung relatives not simply for sentimental reasons, but also in order to maintain networks (Skuse & Cousins 2007). Another form of investment in social capital is the need to invest in 'dignity and respectability' already referred to. Key here is the canny management of claims and counter claims. On the one hand, investing in one's respectability and status is important if one is not to risk marginalisation; on the other hand, it is also important not to expose oneself to too many claims (this will be explored later in this report when we consider the 'dark side' of social capital). This is an important issue for poverty researchers, for it means that we need to recognise that informants often have a vested interest in hiding resources!

6.2.5 Consumption and asset smoothing:

Another important coping strategy mentioned by informants was consumption and asset smoothing. These well-known strategies essentially seek to modulate consumption, to smooth its peaks and troughs, particularly in the context of vacillating and insecure livelihoods. Consumption smoothing refers to strategies focussed on keeping consumption at constant levels, and may require the sale of assets; a converse situation is found when people sacrifice consumption and undergo considerable hardship to preserve their assets

Case Study 23: Going hungry to keep the furniture - Thembelani Gwatcha, Khayelitsha Site C

The shack where Thembelani lives with his younger brother and his niece immediately stands out from its neighbours: not only because it is painted in an attractive shade of pink, but also because of the digital satellite dish affixed to its roof. The dish indicates that Thembelani is materially a lot better off than his neighbours, and this is confirmed by the interior of the shack: besides a lustrously polished wall unit (which according to him cost all of R14 000), there is a complete lounge and bedroom suite along with several expensive looking consumer electronic items.

Interestingly, however, Thembelani's neighbours might be worse off than him in terms of material positions, but many of them more are likely to be able to eat well every evening. Although he was relatively well-off until recently (both he and his wife had formal sector jobs) he now is unemployed. Thembelani's wife gave up her job as shop assistant at F***, a well known fashion chain, in order to look after their child, confident that they could live on his wages as a supermarket worker. But a few months before the study started, Thembelani was fired.

In response to this economic shock his wife and their young infant returned to kin in the Eastern Cape, while Thembelani remained in their rather presentable and well furnished Khayelitsha shack. At the time of the 2005 interview Thembelani was devoting substantial levels of effort to regaining a formal sector job (by scouring job ads, applying for jobs, updating his CV etc) and dealing with his creditors. His management of his creditors, to whom he owed substantial amounts of money for the expensive furniture and consumer electronics in his shack, encapsulated two distinct strategies. Thembelani variously seeks to pacify and avoid them. He explained that on several occasions, with the furniture store at his front door, poised to repossess an item of furniture he would run to the '*mashonisa*' (money

lender) or a family member to borrow money (often R100 or R200, a small proportion of his debt) to stave off the furniture store employee for a while. Thembelani also sought simply to evade his creditors. At the conclusion of the interview when the research team took down his (Telkom fixed line) phone number he instructed that if the team were to phone him, they ought to shout out immediately that they were not from the furniture store. They ought to do this to avoid being deflected by his standard telephonic ruse of assuming a different identity and claiming that Thembelani is not available to accept the call.

Allied to these efforts to manage his creditors, Thembelani was consuming very little. He had not only eliminated the fiscal burden of his family by sending them away back to the Eastern Cape, he was spending negligible sums on food or energy. Living frugally, and relying on kin members for the occasional meal, Thembelani was diverting whatever resources he managed to mobilise to retaining his household assets. When questioned directly on for how long he thought his strategy would be viable, his reply was that he just needed to buy time, to find another job. Thembelani was aware that the fiscal scales were tilted heavily in favour of his creditors, and to lose his household durables to them (even those that were close to paid up) would see him regain no or very little of the equity invested in these items. In his case, this strategy paid off. By the time the fieldwork period had ended, Thembelani could report that he had found another job. By relying on rural kin and his local networks, and by compromising substantially on his day to day consumption, he had managed to hold on to the household durables that represented his investment in respectability, comfort and status.

If careful control of expenditure is an aspect of consumption smoothing, another important element is the ability to manage income flows. Throughout the course of the research it became apparent that many respondents had sophisticated systems of quantifying and allocating the relatively diminutive levels of income they received. A relatively common example of is provided by the Mashiya's (Case study 20). Of the old age pension received every month, the household allocates the leftover change from their monthly grocery shopping trip to town, for the purchase of sweets and puffed maize chips. The maize chips are repackaged into smaller bags (each containing a handful of chips) and sold, with the sweets, to children in the village. This income, leveraged out from the change from their groceries is allocated for the purchase of paraffin - a relative luxury which provides respite from gathering food or cow dung. What is noteworthy about this elaborate choreography of provisioning and leveraging resources is that it prevents overspending on the household's monthly shopping, by separating paraffin purchases from the larger sum.

Another example of systems of lay accounting to manage income, was demonstrated by Mamzoli (see case study 5 & 28), who runs a small business from her homestead. Selling various packaged chicken pieces, meat, sausages and beer from a gas powered chest freezer, she puts the proceeds of each class of inventory in a specific, individual container. Using the material artefact of separate containers, allows her to track the sales and ultimately the profitability of the various items sold. It also facilitates the checking of stock against the separate income in the various containers. In the event of stock loss she would not simply reconcile a shortfall of stock against her aggregate takings, she can identify specifically in which class of items the shortfall is. This prudent management of income streams is an essential part of managing ones consumption levels.

6.2.6 Securing Patronage

The ability to secure patronage can play a very significant role in shaping the level of well-being attainable by an individual or household. Patronage implies patrons who are better placed their recipients, usually in terms of their superior social connections and economic position. Although domestic work can be amongst the worst paid and most insecure variety of quasi-formal employment there is a wide range of conditions and rewards associated with it. The domestic work context often proved to be a strong source of patronage. Probably as a consequence of the familiarity and intimacy of the domestic sphere, domestic work for a generous and relatively resourced employee, could sometimes generate solid returns. Where a female domestic worker has been able to establish a stable and beneficial relationship with an employer, this security (even when wages are comparatively low) in one or two cases enabled them to save sufficiently to send children to school (and even onto tertiary education), significantly improving their prospects for escape from poverty in future. Domestic work, particularly for middle to upper class families, enabled some of the focal households to significantly improve the quality of their furnishing on the basis of substantial in-kind payment of cast-off consumer durables and furnishings. One Khayelitsha resident domestic worker who worked for an affluent white family was able to build a homestead in the Eastern Cape, send her children through tertiary education and comfortably furnished her township RDP house. Another former domestic worker successfully made the transition from the quasi-formal domestic sphere into the formal sector. Her employer took her to the small advertising agency he started, and she became the (self-described) ‘tea lady’ in what grew into a well-known advertising agency. She eventually retired from this employment with a comfortable pension.

Patronage also works in other social contexts. It can be dispensed by government officials and traditional authorities and play an important role in peoples’ lives. Marginalised and poor households often depend on the intermediary role of officials and traditional authorities in the quest for access to resources. Though these could give them significant access to resources, it also meant that they were subject to disadvantageous power relations. Some of these dynamics and the rent-seeking and exploitative have been considered (in section 5.3.1 and 5.3.2) above.

6.2.7 Ensuring your place in the household

Some of the strategic imperatives discussed here are, in a sense, strategies that operate at the household level. It is important not to slip into the fallacy that households are necessarily unitary and coherent units where everyone’s interests cohere. One important strategic terrain where interests could converge – but where they could also diverge in serious ways – was in individuals’ relationships to the households to which they were attached.

Klasen and Woolard (2006) have argued that there seems to be a dynamic whereby individuals unable to secure employment attach themselves to households with resources. *Inter alia* they argue that this may contribute to people ending up in the deep rural areas far from labour markets. The data elicited in the present project supports this contention but also casts some light on the matter. Particularly in the Eastern Cape, research highlighted numerous households where young people who had failed to find employment in the formal labour market were still attached to the homesteads of parents and other relatives. In the rural research site 56% of households, while in Khayelitsha over a third of households, fell into this category. They contained at least one young adult, who failed to find formal labour market employment. (Thandeka’s story on page 114 illustrates how important this strategy can be, and how vital the connection with even an impoverished rural

household can be as a way of ameliorating the vulnerability that flows from depending on hard-to get and insecure urban employment.)

Table 14: economically inactive people in participating households

Category	Khayelitsha n=25	Mount Frere n=24
Number of households with no economically active adults (i.e. were all households members are inactive).	3 (12%)	6 (24%)
Number of households with at least one economically inactive adult who is engaged in care work (i.e. one member is economically inactive but doing care work).	15 (60%)	23 (95%)
Number of households with at least one economically inactive adult, who is not engaged in care work (i.e. one member is economically inactive and not reported to be doing any care work).	7 (28%)	13 (54%)

The above table shows the number of households with economically inactive adults. The first row indicates households where no member is economically active (i.e. to have a single member economically active would violate this category). For the purposes of this table 'economically inactive' is taken to be an adult (over 18 years of age) who is not studying or attending school and not involved in any remunerative activity - either formal or self employment. Nor are they actively and currently engaged in seeking employment. Category two, in the above table, shows the number of households with at least one economically inactive adult (i.e. not engaged in formal or self employment), yet who is engaged in care work. Care work is here defined as caring for: a child under 14 years of age, a person who is described as ill or disabled, or a person over 60 years of age who is described as frail, very elderly or in need of care. Row number 3 in the above table indicates the number of households containing at least one economically inactive adult (i.e. involved in neither formal nor informal economic activity) who cannot be described as engaged in care work. This could be an inactive, household member in a household of otherwise economically active and care work engaged adult members.

A brief aside: for the purposes of this schematic analysis if household members self reported as engaging in care giving they were counted as engaging in care giving (i.e. category 2). Additional household members, or alternatively members not described as engaging in care work, were deemed inactive (i.e. category 3). Throughout this process, the household composition was examined and the analytic question asked of the data was 'Who here could become economically active if they had to, and if sufficient opportunity existed?' This is a rather strict criterion for determining surplus household labour as care work does, in reality, consume the time of multiple female caregivers within a household. Category 3 above is therefore rather strict and likely to elicit the very upper ceiling of economically inactive, non-care giving household members. In reality, few of these women would be totally uninvolved in care work. However experience from the field suggested that this assumption of non-involvement in care work generally seemed more tenable with male household members - as carework tends to be intensely (female) gendered.

Note that items in the three rows are not mutually exclusive. For example, one could conceivably have a household with four economically inactive adults

(category 1), but one of whom is doing care work (category 2) and two of whom are engaged in no care work (category 3). For this reason the numbers in the cells are not cumulative, and do not tally vertically up to the totals.

A number of points can be made with regards to this classification. Firstly a relatively small proportion of households in the two sites have no economically active adult/s. This is best expressed in the converse: in almost 8 out of 10 cases at least one adult is economically active - even if it is relatively small scale and informal work. Most households therefore have at least one economically active adult. Of the households that did not, they generally fell into one of two categories. Either they were surviving exclusively on one or more social grants (e.g. a pensioner living with grandchildren) or in two or three cases they were households where the breadwinner had withdrawn (retired, retrenched) from the formal economy, often with some financial resources.

More than two-thirds of Khayelitsha households and virtually all Mount Frere district households had at least one economically active adult who was engaged in care work. Part of the difference between these two sites is that the rural Mount Frere households were, on the whole larger (i.e. composed of more members), some of whom would be in need of care. Rural households frequently contained both younger and older members who require care.

Similarly, the larger size of the rural households (relative to the urban households) made it more likely that they would have 'surplus' adults, not engaged neither in economic activity and superfluous to the demands of care work. Imposing the strict definition above, in terms of economically inactive adults, a third of the urban households and over half of the rural households had at least one economically inactive adult not needed for care work. These were often a second or third adult member, other than the member engaged in care work.

In summary then, while relatively few households had no members engaged in any form of economic activity, the vast majority of households especially in the rural Eastern Cape had economically inactive household members doing care work. A sizeable proportion of households, especially in the Eastern Cape, have 'surplus' members, economically inactive and in addition to the requirements of care work.

Does this mean that pensions provide a perverse incentive, creating an even greater incentive to keep the rural jobless far from labour markets - or does it mean that they help provide scarce resources to support stretched and threadbare rural social networks buckling under the burden of ameliorating employment shocks? The answer probably depends on assumptions about the ability of the urban economy to absorb further job-seekers. In any case it is clear that it is dangerous to generalise: as we have stressed in this report, the way in which individuals are inserted into the networks created by migrancy vary widely. Had Thandeka, for instance, not come from a household that lacked networks that could give her access to urban sources of support, it would not have been necessary for her to retreat to the rural areas at in the first place.

Furthermore, as our argument in section 4.2.2 should make clear, it is probably best to stay clear of universalistic rational-choice style modelling of 'household formation'. Clearly the factors considered by Klasen and Woolard (wages, non-wage income, 'privacy costs', economies of scale, and the labour market access implications of household location) matter, but the discrete, bounded and relatively economically independent households imagined by the economic models

Woolard and Klasen discuss are very far removed from the porous, fluid and stretched systems this project explored. There is no clear and simple boundary separating household members from non-members - at least as far as the sharing of resources is concerned: as Ross and Spiegel's research has consummately illustrated, who is attached to which household will therefore often be a matter of some complexity. In addition attachment to a household (and separation from it) will always be caught up in the calculus of complex reciprocal arrangements that *change over time*. As the delicate balance of unequal sharing and self-interest in Vuyiswa's household shows, being 'part of a household' is part of a complex and often uncomfortable accommodation involved contests and negotiations about what one is entitled to claim, what is shared, and what will be expected of one in the future.

Our discussion of Thandeka Mashiya's story has already illustrated some of the ambiguities and involved in household membership. In Thandeka's case, her reliance on the pension of her grandmother is handled within the co-operative framework of household decision-making, which sees the three adult women working carefully together to make the most of their scant resources. The story is not always so happy. The difficulty that these relationships can sometimes involve, and the disharmonious domestic politics that it may involve is illustrated by the stories of Nontuthuzelo Mbabane and of the Botha siblings

Case Study 24: Unwelcome in her mother's house: Nontuthuzelo Mbabane

Nontuthuzelo Mbabane is a young woman in her early twenties who lives in the house of her mother, Nosikhumbuza Ntlazane. Also in the house is her mother's other two children by another partner, Zizipho and Nomvuyo, and Nontuthuzelo's own eighteen month old child Amandlha. From time to time they are visited for extended periods by Nontuthuzelo's grandmother, Nonzwakhazi.

It is clear that the relationship between Nontuthuzelo and Nosikhumbuza is a strained one. Nontuthuzelo herself was in fact not raised by her mother: while she was still a young child, her mother had left her in the care of her own mother Nonzwakhazi and had left for Cape Town in search of work. Nontuthuzelo had stayed in Nonzwakhazi's care until she was in Standard eight, at which time Nonzwakhazi had lost her disability grant (Nontuthuzelo says they stopped the grant because they said Nonzwakhazi was still fresh, she could work). As a consequence Nonzwakhazi could no longer care for her, and she had to leave school. She accordingly left the Eastern Cape and joined her mother's household. Nosikhumbuza had in the meantime married Vusumsi Mbabane, a truck driver who had made good money and who had, among other things, taught Nosikhumbuza to sew. Vusumsi died some years later of a mysterious ailment that had progressively paralyzed him, starting with his right foot. His long illness, during which he could not work, and his unexpected death while visiting relatives in the Eastern Cape, was a blow from which the household apparently had never quite recovered. For a long time Nosikhumbuza had survived by doing domestic work and by making and hawking tracksuits and other clothes in Site B, at one point sending her younger children back to the Eastern Cape to be cared for by Nonzwakhazi again. But in 2003 she had found employment in a clothing factory in Mowbray.

Nosikhumbuza, a hard-bitten and grim-looking woman, seemed stressed and exhausted by the difficulties of keeping her household together. For one thing, her middle daughter Nomvuyo, a buxom young girl who insisted on being called by her English nickname ('Cutie') was proving difficult to control, demanding luxuries like cellphones (she lost one and had her

mother replace it during the research project) and regularly asking for money to visit her uncle's house on the other side of Khayelitsha, where she could play video games and watch TV. For another, Nosikhumbuza clearly felt that Nontuthuzelo was not pulling her weight in the household. Nosikhumbuza was paying for all the household expenses and groceries, while Nontuthuzelo, she said, was contributing nothing except some of the baby food and crèche expenses for Amandhla.

Further investigation showed that the picture was rather more complex. Nontuthuzelo was holding down a job working for a *'makwerekwere'* (foreign African) who had a stall in Claremont, helping him sell cellphone chargers and sunglasses on the side of main road just next to the Atrium shopping centre. The *'makwerekwere'*, a suave and charming Cameroonian who disingenuously suggested to the team that he should be called Rich (he was not) paid Nontuthuzelo a paltry R20 per day for her services – such a tiny amount that, were she to rely on minibus taxis instead of the train to commute, travelling alone would all but wipe out her earnings. It is clear that with such a meagre salary (an amount that 'Rich' confirmed) Nontuthuzelo could not make very much of a contribution to the household at all.

But was this the whole story? Nontuthuzelo did not seem to mind her very low salary. True, she told the team, it was not very much money – but at least she could sit down all day, and (she told the team) it was not very hard work. Clearly, from one perspective, the low salary prevented her from making more of a contribution to her mother's household – but, conversely, her ability to rely on her mother's income conceivably removed some of the incentive to look for better paying (and more arduous) employment.

When the team visited Nosikhumbuza's house for the last time, saying good bye and thank you at the end of the research project, Nosikhumbuza had mixed news to report. For one thing, 'Cutie' – who had disappeared without a trace a week or two earlier, leaving no news of where she was, had returned, apparently having spent a week with friends at the seaside in Fish Hoek. Secondly, there was a new addition to the household: a tiny neonate, only a few days old, curled up in blankets on the couch. The team had not realised that Nontuthuzelo had been pregnant all along - and Nosikhumbuza had a new addition to her household. She did not look happy.

Driving away from Nosikhumbuza's household, Sibongile the fieldworker was deeply distressed. 'Nosikhumbuza does not love that child' she confided to her fellow researcher. She thought about her harsh words for a moment, and then revised them. 'No, she will love the child. But she is angry.'

Case Study 25: Forming a household after the father has died

The structure off the little shack occupied by the sisters Lulama and Luleka Botha and their children already tells a story. It is a large but poorly maintained and shabbily furnished shack standing in the middle of a completely bare plot of soft sand. Leaning drunkenly against it is a second structure: a crudely built wooden lean-to with its own separate entrance: this belongs to their brother Vusi and his girlfriend Delia. Vusi and Delia's lean-to is barely big enough for a bed and a little stand with a primus stove; the interior of Lulama and Luleka's shack is dirty and generally neglected. The walls on the inside of both structures are papered with smooth, garishly coloured sheets of plastic advertising a popular fast-food chain and a brand of potato chips. The door handle on Lulama and Luleka's shack is broken on the inside, and if the door shuts completely you have to fetch a fork from the kitchen and jimmy open the catch.

The shack used to belong to Thobile Botha. Not much is known about him, because he is dead. What we do know is that he was a maintenance man, that he worked for the Department of Health in East London (he repaired wheelchairs and other equipment), that he divorced his wife at some time in the 1980s and that he moved to Cape Town in 1993. He had a house in lower middle class Mandalay but he sold that after just one year, moving into the shack. His daughters joined him some years later, but their relationship appears to have been strained – the rather soft-natured Luleka tearfully tells how he refused to pay for her education when she asked him to, telling her she was fully grown and had an ID book. Their brother Vusi also joined them in the late 1990s and appears to have been similarly rebuffed: he says he and his father's girlfriend did not get on. He moved out and eked out an obscure living in Kraaifontein, running scrap metal (as he tells it) but perhaps also falling among thieves (Lulama told the team that her brother had been *stout*).

Lulama and Luleka also did not get on with Thobile's girlfriend, and after a while Tobile moved out to live in another shack with her. He became sick shortly after – Lulama (much more hard-bitten than her soft-spoken and tentative sister) says 'we must be honest' and discloses that he had HIV – and died in 2003. The girlfriend made a short appearance, asset-stripping the shack and removing many items of value, including the furniture and the welding machine – and disappeared; dying herself shortly afterwards.

A little after this, Vusi returned. It appears to have been a difficult reunion. Vusi had not even been at his father's funeral, and Lulama's assessment is harsh: she believes Vusi's main reason for returning was that he wanted to lay claim to his father's property. So strong is her suspicion of his motives that she cites this as one reason why she does not move out into her own place: Luleka is much softer than she, she says, and Vusi would be able to get her out of the house easily. When the team first visited the household, the tension in the house was palpable; this impression is confirmed by Delia, who says that at the time, Lulama and Luleka were not even sharing food with their own brother, making food and eating it themselves in a way she saw as a naked affront. Shortly after this, Vusi started building the lean-to, creating a separate structure for Delia and himself.

As time went by, and in subsequent visits, the tension between the two sisters and their brother seemed to abate. Vusi strenuously denies that he wishes to take the house for himself: the reason why he was not at his father's funeral, he says, was because no-one had told him that his father had died; he appears to express genuine sadness at his lack of relationship with Thobile, and says he never had anyone who could give him advice and make him strong. Indeed, he is considering moving to the Eastern Cape so that he can be close to his mother and get advice from her. When the team visited on Vusi's off days, Vusi and Delia could be found lounging in Lulama and Luleka's shack, watching the murky television and chatting with the sisters. It appeared that they were starting to share resources: they would share food from time to time; the garish plastic on the inside of Luleka and Lulama's shack was plastic sheeting Vusi brought home from his workplace; and Delia got a place at the same box-making factory where Lulama worked. But tensions remained. While Lulama put in long hours every day folding cardboard boxes for a jewellery company on a piecework basis (they pay her 7c a box; she must make over a thousand boxes to bring home R100) Luleka did not appear to do much at all during the mornings, spending her days at church gatherings and leaving the children with neighbours. And though Delia will not say anything explicitly negative about Lulama and Luleka, she still appears to radiate cheerful hostility, suggesting to the team that they are bad and careless mothers, spending their children's grants on clothes for themselves instead of shoes for their children, and takes pains to point out to the team how, while she is happy to share food with the two sisters, they don't appear to be willing to do the same. Though the tension the team found in the shack on their first visit had reduced, the truce between the two groups remained uneasy and uncomfortable.

Nontuthuzelo's and the Botha siblings' stories- like the story of the difficult material accommodation between Vuyiswa and Nolusindiso on page 38, illustrate the difficult and complex internal dynamics involved in the decisions of individuals to attach themselves to households. These involve complicated trade offs that are often shaped by gendered power relationships. Nosikhumbuza's household benefits from the co-operative sharing of burdens between her and her Eastern Cape mother; but sharing resources with her daughter (who may be resentful that Nosikhumbuza decided that she should stop schooling) seems to generate serious tensions. In the next section we look in more detail at the way in which gender works to distribute the burdens that are involved in the accumulation and mobilisation of social capital.

6.3 How social capital works

6.3.1 Introduction: understanding social capital

Quite clearly the ability to accumulate and use social capital was one of the most important ways in which individuals and households in the sample could gain access to additional resources, cushion themselves from shocks and ameliorate the worst consequences of poverty. Social capital, however, played an ambiguous role. On the one hand, the ability to make claims based on 'social capital' could make a very significant difference to well-being, and could give one access to significant resources. At the same time, as we shall show in this section, social capital worked in highly variable and differentiated ways. Different people had varying abilities to use it and the kinds of resources that it enabled access could also vary hugely from context to context. In fact, social capital could sometimes work in ways that increased vulnerability and marginalisation for some.

At the outset it is important to be very clear about exactly what is meant by social capital. One problem here is the very prevalence of 'social capital' talk, and its increasing prominence not only in analysis but also in policy discourse. Often the term is used very loosely and imprecisely and with very little attention to the underlying assumptions and theoretical frameworks (for a discussion see Schuller Barron & Field 2000; see also Woolcock & Narayan 2000). Thus 'social capital' is sometimes used interchangeably with 'social relationships'; and at other times, in South African policy discourse, it seems to be used vaguely to refer to a kind of undefined 'social connectedness' or goodwill – as if it is a kind of quasi-theoretical translation of the concept of 'ubuntu', or a more theoretical term for the so-called 'fabric of society' (see, for example, PCAS 2006). This is not a very useful way of deploying the term, and it can seriously cloud our analysis. An adequate understanding of how social capital works requires us to define it rather more precisely.

One underlying problem here is that even the theoretical literature on social capital is fairly divergent. In essence there are broadly speaking two intellectual traditions that focus on social capital - in somewhat overlapping but significantly different ways. For *both* of them, social capital refers to *a symbolic, intangible set of resources that exist in the context of a particular set of social relationships and upon which individuals or groups can draw to secure co-operation, or upon which they can draw when they are making claims*. Being able to draw on social capital is thus in an important sense one of the enabling conditions that allows an agent to *transact* (or which allows them to transact on more favourable terms). But different writers explore this resource in very different ways.

One important tradition relies on the work of Putnam and Engelhardt and sees ‘social capital’ as ‘generalized trust’. This is an approach to social capital that sits more easily with liberal forms of social analysis, partly because it lends itself rather easily to the (supposed) modelling of choices and decisions in a rational-choice, methodological individualist framework (Fine & Green 2000). This has often gone hand in hand with rather de-contextualised and idealistic approaches to ‘social capital’ and a tendency to speak about them in generalized and rather abstracted ways, with very little appreciation for the huge ranges of the kinds of relationships within which people act and the very divergent ‘social logics’ that play out in them (for a trenchant criticism of this essentialist and acontextual approach in sub-Saharan African analyses of ‘social capital’, see Meagher 2006)

Important as ‘generalized social trust’ is, it is not the most important ways in which social relationships help poor people to mitigate vulnerability and deal with poverty. To understand this, we need to look at the very specific relationships upon which people rely when making claims on resources or engaging in informal reciprocal exchange. To do this is to look at social capital not as a generalised social resource, but as something that is *unevenly* at the disposal of *particular agents* (individuals or social groups). An individual’s ‘good standing’ in a community, the relationships in which they stand to neighbours and kin; their reputation, the track record created by their past actions, constitute in this analysis an intangible but vital resource on which they can draw when making claims or enlisting the co-operation of others. Social capital is something that is ceaselessly created and recreated, and which is mobilised and circulated in the making and honouring of claims and counter-claims. Social capital therefore cannot be understood outside the context of the social relationships within which it exists, and the local histories, cultural values etc which shape how it works. Looking at these complexities allows for a more accurate analysis of the ways in which social capital is accumulated and used, who benefits from it, and who is excluded. In particular, it allows us to distinguish between the following crucial aspects of the use of social capital:

- 1) **Social standing and status:** one very specific way of approaching social capital is to focus quite narrowly on the particular relational resources – ‘social standing’ or symbolic ‘credit’ – that a particular agent (an individual or a group) can accumulate through wealth, power and past interactions. One’s reputation as a good community member, as a trustworthy individual, as someone who has helped those around one (and therefore deserves help in turn), one’s creditworthiness, are all examples of individual social capital in this narrow sense.
- 2) **Social relationships:** This intangible ‘credit’ is something that can exist - and allow claims, negotiations and transactions - only within the context of a *particular*

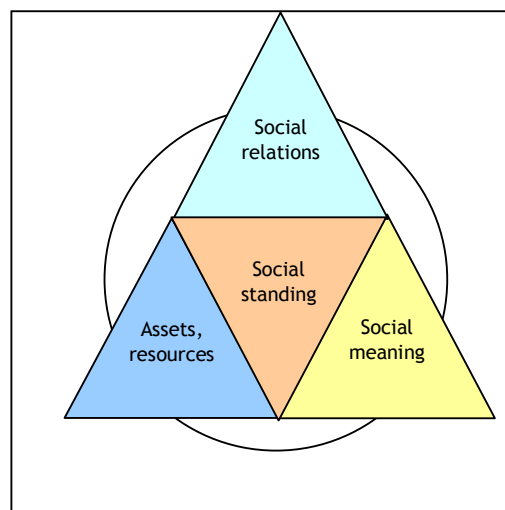


Figure 9: A schema of key elements of social capital

underlying social relationship. As we shall show in the subsequent sections of this chapter, the nature of that relationship and one's position within it has very important implications for the kind of capital that can be accumulated and the nature of the resources that it allows one to get access to.

- 3) **Social meaning:** as we have pointed out earlier in this report, social relationships are *meaningful* relationships. They are not simply objective facts, but partly constituted by underlying meaning-giving practices and the frameworks of expectation and understanding that one could rather imprecisely refer to in terms of 'culture'. This means that the working of social capital will always be to some extent socially and culturally specific; and will also be strongly shaped by how local history and contestations have shaped the way in which people draw on and use culture and identity resources. This has important implications, since it means that there may be important differences in the way in which social capital works for example in urban and rural areas.
- 4) **Resources and assets:** Finally, though social capital itself is an important (symbolic) asset, some of its importance lies in the kinds of other *material* assets that it allows one access to. People's access to other assets and material resources will therefore have a fundamental impact on their ability to use social capital and what they use it for.

Each of these elements interacts in complex ways with each of the others: social relationships, for instance, will often be powerfully shaped by the resources and assets people have control over; even if resources and assets cannot be understood outside a the cultural context of social meaning. Furthermore, the ways in which people use their social capital and the nature of the transactions and negotiations within which it functions will in turn shape social relationships, the distribution of social assets and even the re-creation of social capital.

6.3.2 Social capital and social relations

We begin by looking at the key role played by the nature of social capital and the relationships within which it is deployed. The importance of this issue is often missed by econometric analyses of social capital which treat a wide range of very different kinds of social relations as equivalent and that treat social capital as something that can be measured simply in terms of the number or frequency of social interconnections, without distinguishing between the nature and kind of these connections. An example is the South African Macro-social trends report which lumps together all manner of social connections - equating social capital with 'visits to friends' and general social cohesion (PCAS 2006: 73).

Research in Khayelitsha and the Eastern Cape - by this project as well as in anthropological investigations - reveal a very different picture. Social capital, viewed as the intangible 'symbolic credit' on which an individual could call on in their interactions with others, is embodied in very specific sets of behaviours, discourses, and very particular sets of relationships. Above all it is linked to set of culturally specific values that define what is required of one to be reckoned an upstanding or decent member of society. To have social capital in the communities within which our informants live, one has to have what in Xhosa is known as *isidima* (loosely translated as 'dignity' or 'esteem') - a term that refers partly to the comportment and behaviour of the person themselves (thus the

former President of South Africa, Nelson Mandela, was universally recognised to be a person with impeccable *isidima*); but it also refers to the kind of household that the person keeps, whether their children are well cared for and well behaved, whether they are a good ‘citizen’ of their community; whether they partake regularly in the required rituals, attended meetings and generally behave in the way that is required of a respectable person of their age, status and gender in Xhosa culture.⁹ The respect and social standing over which a person disposes significantly strengthens their position in the various social relationships they have to negotiate and strengthens their moral claims for resources, assistance, co-operation and recognition. The importance of this kind of social standing is perhaps illustrated nowhere as directly and graphically as in the significant investments even poor households will make in respectable burials, and in ensuring the initiation of their young men: initiation is an investment in male personhood essential to masculine agency in both township and rural society, while attending and hosting respectable funerals is a major investment in social standing and respectability. Though it may seem to make little sense in a narrow economic analysis, this respectability and standing plays a vital role in the broader processes of reciprocal exchange that are crucial to ameliorating vulnerability.

Furthermore, important as ‘generalised social trust’ might be in a *general* sense, in-depth interviews indicated that much depended on the particular nature of the social relations within which social capital was mobilised. Analysis of interviews show for example that *particularly in the urban areas*, the value of the social capital that could be mobilised in the context of, for example, *kinship relations*, was very different from the value of social capital in the context of *neighbourhood or community relations*. In the context of kinship, people could and did make very significant claims, and could sometimes support one another in very significant ways - giving or receiving valuable gifts, borrowing or lending significant amounts of money, or asking for or offering sustained amounts of material help e.g. through offering or asking for accommodation, sharing groceries, and so on.

Neighbourhood or community relationships seemed to vary significantly. In the rural areas – where, as we pointed out on p. 88, most social interactions occurred between people who were well known to one another, and who could ‘place’ one another clearly in village, family or clan networks – neighbourly or territorial relations could be economically significant. Participation in community affairs, assisting neighbours, and assistance to community members in need was all part of what was expected of a good community member, and such participation cemented their *isidima* or worthiness in the eyes of their neighbours. In urban areas, the claims that could be made on the basis of neighbourhood and community links were far more limited. Sometimes neighbourliness could be the basis upon which people lent or borrowed ‘small things’, ‘borrowed’ (but actually paid for!) electricity, or asked or offered childcare. The density of social connections that grew up over time in long-settled communities like Khayelitsha or Site B also contributed significantly to neighbourhood safety and probably reduced the impunity of criminals to some extent. But as our discussion of the perceived contrasts between urban and rural life showed, urban society was experienced by many informants as a terrain of danger, threats, indignity and the risks of anonymous encounters.

While neighbourhood or community links could occasion certain kinds of help, this was often perceived as unsafe terrain - the terrain of ‘jealousy’ and the risk of

⁹ These formulations owe much to the input of Pat McAllister (pers. comm.).

gossip. Sometimes, *friendship* constituted a very important form of social connection, allowing the formation of long-term alliances of mutual support between two individuals. Here, it should be noted that ‘friendship’ is of course a very complex kind of relationship to understand in social context; while it obviously has a strong interpersonal dimension, the social meanings of friendship are powerfully shaped by culture. This is an issue well outside the ambit of the present study. Here, we can simply note that the kinds of solidarity and resource sharing allowed by personal alliances could sometimes lead to the sharing of very significant resources - but that informants also perceived these kinds of relationships in very ambivalent terms.

Another fairly important social capital was given by *client-patron relations* of various kinds. As discussed above, through connections with employers, or with traditional authority informants seemed to have been able to use employment relations as a way of getting access to significant patronage, as when domestic workers ‘inherited’ cast off furniture from the wealthier households that employed them, or when white colleagues at work passed on material goods to black co-workers. Connections with people in officialdom, or even traditional authorities, could also play a valuable role, particularly when those figures could intercede or act as brokers in relationships with an otherwise faceless bureaucracy.

Finally, the social connections created through formal associations (e.g. memberships of *stokvels* / *umgalelos* (mutual savings societies), churches etc) could also allow people access to support or resources. A very important point is also that participation in these community activities was one of the ways in which people could accumulate social capital - the dignity and respectability that could increase their ability to make claims on opportunities and resources.

6.3.3 Reciprocity and power

A crucial point is that social capital is usually mobilised within a context that placed a strong cultural emphasis on reciprocity and exchange. The point is not merely that social capital plays a key enabling role in people’s negotiations and transactions with one another: it is also that social capital demands certain practices of reciprocity. Thus, as anthropological studies have shown, being a ‘good citizen’ by taking care of relatives, community members and neighbours and participating in networks of reciprocity is one of the ways in which one amasses social capital. (Indeed, the relationships described above are probably best conceptualised as being partly produced and given additional cultural meaning by these acts of exchange and reciprocation. Social capital depends on social relations and reciprocal exchange – but in another sense reciprocal exchange is what helps *create* and *renew* social capital and social relations.)

Two important points flow from this. In the first place, although social capital could be ‘cashed’ into access to vital resources, such access would almost always take the form of an exchange; and would always involve some kind of reciprocal dimension. It is important to note that these exchanges are *not* best understood as market exchanges; rather, they are exchanges that always happen in the context of social and power relations, and through which social capital is also being recreated. A wide range of different forms of exchange exist, each with different implications for the resources they can mobilise - and the debts they incur.

Sometimes, for example, individuals could give or receive quite substantial gifts, particularly in the context of a close kinship relation. But although a gift is never a sale, and is not explicitly a form of exchange, gifts exist in the context of obligation, duty and debt. The gift of R100 with which Madoda helped Vuyiswa start her fruit and veg business, or the fridge freezer with which Mamzoli started her business were all given in the context of these larger practices of reciprocity.

At other times, social capital was used in the context of informal processes whereby goods (e.g. sugar, tea, flour, salt, matches, paraffin, candles etc) and services (e.g. laundry, childcare, maintenance etc) were explicitly exchanged. The important thing to understand here is that these exchanges are not *simply* about the trading of different commodities of notionally equal value. Sometimes the social relationship was what conferred the ability to enter into a loan or exchange (in that a prior existing relationship had to be in place before one could have grounds for entering into an exchange relationship at all). Sometimes this exchange could be monetized (in that one family member would do a favour to another, and would receive payment). Neighbourliness could for example be the basis of an agreement to 'borrow' – in other words, buy – electricity. Sometimes exchange could be a form of reciprocal lending or borrowing (food is 'loaned' to a person on the understanding that they would 'lend' one something similar at some point in the future); sometimes there would be an explicit supposition that the item, or exactly the same amount of the same foodstuff, would be returned.

These aspects of social capital have very important implications for the way in which it could work to ameliorate (or exacerbate!) poverty and inequality. In the first place, it is important to emphasise that *these forms of exchange are not necessarily equal*. Some forms of exchange enabled by 'social capital' could have a quasi-coercive nature. The patriarchal power of a male household head in a traditional Xhosa household is derived partly from the way he can use the status and standing accorded him by his position and his gender to get people to do his bidding. Here, the example of Vuyiswa cited in section 4.1 is a good case in point: Vuyiswa has some security within her own household and within the broader set of social relationships created by her kin network - but to a large extent her place in this kinship network is dictated by iron rules - iron rules that indicate, for instance, that part of her proper role is to take on a the burden of care work. But it is not only patriarchs who have positional power inside the kinship network: as the example of Nontuthuzelo Mbabane on p. 122 makes clear it is also possible for the adult offspring of the household head to rely on the fact of the parent child relationship - the fact that they could not be ejected from the household - as a way of continuing to 'hang on' to households to which they were making very little contribution.

Secondly, the way in which access to social capital depends upon culturally specific notions of respectability and status, and the way in which accumulating social capital requires involvement in networks and practices of reciprocity means that it is a double edged sword. As Spiegel *et al* have observed in their analysis of domestic fluidity, extremely poor individuals are unable to benefit from the practices of exchange and reciprocity within which social capital circulates and through which it is generated, because they did not have enough resources to 'get into the game' in the first place (Spiegel *et al* 1994). Again, the example of Vuyiswa in section 4.1 is relevant. To a large extent, Vuyiswa's position in her kinship network is enabled significantly by the fact that she has access to a social grant. This social grant enables her to transact within her kinship network. For instance, without her social grant she would be unable to invest to the same extent in

her daughter's respectability by paying for her *izila* ceremony; which in turn would deprive her of an opportunity to amass social capital in her own right.

The converse is also true. While the lack of resources can function as a bar to entry into processes of reciprocal exchange, the social demand that one should participate in them can, as Spiegel *et al* have pointed out, function as a powerful brake on better off households' pathways out of poverty (Spiegel *et al* 1994). Those who are not able to close themselves off against claims from below will face serious constraints on their ability to accumulate. And though extricating oneself from the ties of reciprocity is essential for long term and sustained accumulation, it is a risky strategy particularly where accumulation depends on access to insecure employment on the margins of the labour market. Social capital involves a complex dance of give and take which it is both difficult to enter and hard to leave - a politics of intimacy that requires skill and involves risk.

6.4 Informal social protection: who loses out?

6.4.1 Reciprocity, informal social protection, and care chains

These observations become especially crucial in the context of the role that kinship plays in domestic fluidity and the workings of 'stretched' or even 'distributed' households, and the place of care work within the transregional spatial networks and domestic systems created by migrancy. In section 4.2.2 we argued that these networks played an important role in a level of livelihood strategy that existed at a supra-household, network level, distributing and allocating resources (including people) within this larger network. This network is one of the key underpinnings of what we might call 'informal' or 'private' social protection - an informal social safety network that plays a crucial role in ameliorating poverty and reducing vulnerability at the margins of the formal economy. Bracking and Sachikonye, looking at similar dynamics in Zimbabwe, have called attention to the importance of this 'distal' social welfare (Bracking & Sachikonye 2006) which touches many people not directly in receipt of either wages or social grants.

The processes explored in the previous section play an important part in the workings of this process. Complex webs of reciprocity, loyalty, debt and obligation are part of what create these connections between the city and the countryside. Each claim and each response can be seen as part of the process whereby resources circulate between people within this larger network, and whereby the effects of both positive windfalls and negative shocks are transmitted. It is important to note that participation in these networks brings both benefits and burdens.

These factors mean that the *care chains* that connect the Eastern Cape with the metropolitan centres are of vital importance. Here, a key role is played by care work and the development of complex, spatially developed care chains. Rural kin often play a central role in dealing with the 'care deficit' experienced by urban families. In half of the Khayelitsha households, the biological children of household members were either being taken care of by kin, or had been taken care of in this way at crucial times in the past; while in one third of the Mount Frere households, female household members were at the time of the study taking care of children of people who were working or looking for work in the urban areas; adding the households reliant on such relations in the past brings the total to 19 of the 24 Mount Frere households. These care chains often extend across the urban rural divide but they are common within areas too: in the Mount Frere study, several

households reported that children were being taken care of by relatives elsewhere in the rural areas so that they could be closer to good schools (see Appendices, page,193).

One of the most important ways in which social networks help households deal with shocks and allow them to exploit opportunities is through the development of elaborate ‘stretched’ and distributed care arrangements that pivot on the ability of kin networks to supply care for children (and sometimes to look after assets and property). Sometimes, ‘swopping’ arrangements were in place whereby the visit to Cape Town of an Eastern Cape relative or household member would be enabled or facilitated by the ‘posting’ to the rural areas of a female *urban* household member who could take over the care work (see page 46 above). Rural kin will take on these burdens of care partly out of a broader sense of obligation, but partly also as part of the complex exchange of duties, obligations, debts, services and favours that take place over a long time.

These reciprocal arrangements have complex effects. The fact that children are often sent back to rural families in the context of a crisis highlights how important these care networks are in helping families deal with shocks. But the very fact that shocks are absorbed in this way also highlights the fact that these care chains function to *transmit* shocks. The death of a breadwinner, or the loss of a job in town, can result in the transfer of children to relatives elsewhere, increasing the strain on rural households thousands of kilometres away. It works the other way too: rural benefits can be transmitted to urban households. Getting access to a pension may free up funds for re-allocation, or may allow an elderly person to step out of employment - and become available for care work. Care work and reciprocity form one of the ways in which - sometimes co-operatively and sometimes conflictually - resources and burdens are distributed and re-distributed (sometimes for mutual benefit, and sometimes in very asymmetrical ways) through the spatially extended networks of kinship and alliance created through migrancy.

6.4.2 The dark side of social capital

Who benefits from these processes – and who does not – depends on the social logic of these informal networks. In this chapter we have looked at the ways in which ‘social capital’ functions in this process. Three key points have stood out:

- 1) Accumulating social capital plays an important role *in enabling people to transact* within social networks and to engage in processes of reciprocal exchange that could help them get access to useful resources.
- 2) Social capital is best understood not as a disembodied and ubiquitously available ‘generalised trust’ but as a social resource that is mobilised in culturally determined ways and in the context of particular social relationships. In this context, kinship plays a particularly central role, though community links, clan associations, and patron-client relationships can also be significant.
- 3) Not everyone has equal access to social capital or can benefit from it in the same way, or transact on equal terms. Those with few resources to begin with, and those marginalised within patriarchal practices, participate in these processes of reciprocal exchange on disadvantageous terms

These factors mean that although social capital plays an important role in ameliorating the effects of poverty and in helping manage risk, especially at a supra-household level, *it could also work to worsen poverty, deepen 'social exclusion' and exacerbate vulnerability for certain groups*. This is a key point for those who would see social capital as a key component of an effective pro-poor policy.

In recent years there has been some recognition that social capital should not simply be seen as a 'positive resource' in the community: both scholars and policymakers have warned that there can be negative forms of social capital. This recognition has however been somewhat limited to identification of particular forms of 'negative' social capital (e.g. the social capital that circulates in the networks of organised crime). Our argument here goes further than this: Even 'positive' social capital has its dark side.

In the first place it is important to recognise that although social capital is accumulated and exchanged in ways that are shaped by cultural *ideologies* of reciprocity, *ubuntu*, mutual help and so on, the *actual processes* of negotiation, claims and counter-claims through which social capital circulates can often accompany a large amount of social tension. Social capital can be eroded and exhausted (the people on whom you rely can get 'bored' with you) and the making of claims can involve real reputational risk (viz. the fear of 'gossip').

Even more importantly, social capital can be unequally distributed, and can often involve very unequal forms of exchange. The gendered nature of care work - and the socially enforced willingness of women to comply with social expectations about care work and domestic reproduction - is a central example. 'Unpaid' care work is to some extent socially valued, and does feature in processes of reciprocal exchange - but those exchanges can often be hugely unequal, placing a massive burden on the shoulders of poorer and marginalised women while offering them few pathways out of poverty. The story of Chuma, who agreed to take on the task of caring for the family homestead, but whose brothers reneged on their undertaking to support her, is a case in point.

Focus group interviews proved a useful forum for exploring some of the 'dark sides' of social capital. One theme explored in the focus group concerned the social rules for 'borrowing'. In a natural, conversational manner this topic led to discussions of gossip, jealousy (and invariably) witchcraft. In terms of borrowing, a sharp distinction is made between items (usually foodstuffs or household consumables; rarely money) that are borrowed and those that are given. Borrowed items need to be replaced, either with a commodity of the same type or an alternative commodity to a comparable value. There was unanimity that these types of claims are stronger when made against kin, and that they are far more likely to be made and honoured in rural areas. Urban based focus group members explained that these claims could only reliably be made against kin and, occasionally, immediately adjacent neighbours. (Although it appears some measure of urban social solidarity can play itself out along the ties of village of origin or clan, but these are generally very tenuous). The claims made in borrowing or giving carry the risk that they will generate gossip, consequently a person who attempts to borrow too frequently is called 'celiwu' ('one that asks too much'). Borrowing and giving moreover have a strongly gendered dimension. Therefore rural-based informants (of both genders) generally regarded rural men rather than women as more worthy recipients of assistance. They reported that rural women could always do an array of casual jobs; while remunerative work for rural men on is limited to the occasional

construction work or herding livestock. This gendered differential is also reflected in the way claims are articulated: Men seldom ask directly but rather visit at meal times or open with a conversational gambit such as the topic of soccer. Women, tasked with the responsibility for domestic reproduction, tend to ask directly.

Allied to the social complexity of articulating and responding to claims for assistance were the pervasive themes of gossip and jealousy. A respondent explained the manner in which resentment and covetousness of success of others breeds jealousy with *'umona uqala esweni ungene entliziyweni'* ('Jealousy starts from the eye, and then goes inside your heart'). Although successful people - it was reported - sometimes court envy by becoming aloof and looking down on others. Accounts of bewitchment lay beneath the surface of many accounts of gossip and jealousy. At the site of the rural research, several murders were attributed to rich people who sought to increase their wealth through *'ukutwala'* - powerful rituals which require human body parts. There was a widespread belief that many murders are committed by those who covet riches. The focus groups readily evoked an outpouring of personal testimonials concerning witchcraft; belief in its influence even extended (in varying degrees) to members of the research team. The supernatural is therefore a pervasive explanatory concept. An assertive young woman stirred up much consternation amongst her peer group when she mooted using witchcraft to control wayward male partners. With appropriate muti, a boyfriend could apparently become compliant, and help out with the most unlikely of domestic tasks such as washing nappies. Her proposal met with howls of protest from the female group, but she responded to their accusations of cruelty by observing that men who abandoned her to raise children single-handedly were equally cruel. Her account pressed into service a vision of the traditional cosmology complete with witchcraft, to contest gender inequality.

In our description of Chuma and Nomsa we emphasised their deep passivity, while noting that it is unclear whether this passivity contributed to their poverty or also flowed from it. Here, an important element can be added. One of the most important issues that shape who benefits and who loses from the way in which social protection works are the very powerful gender ideologies that shape social expectations of what is appropriate for men and for women. These are often strenuously enforced. The force and power of these ideologies can be conveyed by two case studies. The first concerns how villagers reacted to a woman who did not toe the traditional gender line; the second illustrates a woman's ultimately unsuccessful attempts to contest her victimisation.

Case Study 26: A misbehaving woman - or a misunderstood one?

Having travelled to a middle class housing estate on the edge of Butterworth, the research team felt as though it was about to meet a stranger we ready knew. For tucked away in suburbia, with its neatly tended lawns and heavy lace curtains, we were to finally meet Sakhele Guba. But to our surprise, rather than encountering a witch or a salacious temptress, a plump Xhosa matron emerged from the house, greeted us warmly and ushered us in. How we came to speak with Sakhele, from where our expectations of her came, and the tale of how she was displaced from her household, is the subject of the case study that follows.

Sakhele is the mother of four children, three of whom live in the distant village of Phuzayo, surveyed in the 2002 survey. She was however neither present at the homestead in 2002 or 2005. At the time of the 2002 survey a paid caregiver was interviewed, on our 2005 return we were directed to a different caregiver. The second caregiver, resident at her own house (a

short distance from the Guba homestead), disavowed responsibility for the Guba children. She explained she was merely buying them groceries with the regular remittance sent by the children's father from his formal sector job in Gauteng. However, the caregiver complained, even this minor arrangement was proving thankless and contested. She was therefore on the verge of giving it up altogether; the children's distant father could simply pay the monthly sum directly to the two teenage children, and their custodian, a 25 year old brother. What of the children's mother, we enquired? The children's mother – Sakhele - had been displaced from the household amidst mutual acrimony and recrimination almost five years ago. This is why, the weary caregiver explained, the children are now suffering. In the contradictory accounts of this domestic drama that we subsequently heard, only two points were agreed on by all parties. The first, that the children's disinterested father sends a regular monthly remittance of R500; the second that the children are suffering.

As conflict marked accounts of the Guba household, the research team first conferred with several members of the household's extended family elsewhere in the village. We were reluctant to simply approach the three Guba siblings directly, in part, because the nominally in-charge 25 year old was reportedly prone to erratic behaviour and smoked large amounts of cannabis. We spoke to him eventually, after first winning the trust and clarifying the background of the household.

Lerato, the children's aunt, was probably the most articulate of all the respondents, she narrated an elaborate account of Sakhele's misbehaviour and the resultant dissolution of the marriage. She explained that after her 1983 marriage Sakhele proved a diligent wife, she built the homestead and bore her husband four children. With the benefit of hindsight Lerato however discerns the seeds of the current conflict, sown in the couple's 1980s meeting in Welkom. Sakhele is (in Lerato's English words) a 'township woman', and therefore 'is not a good rural woman, she is fighting'. In this narrative, the catalyst for the family breakdown was Sakhele's sexual misconduct in the late 1990s, when she took a succession of lovers, some of whom were, scandalously, substantially younger than herself. She later absconded to Cape Town, only to return, unsuccessful six months later 'wearing the same shoes' (i.e. empty-handed). The deteriorating relationship between Sakhele and her husband culminated in violence, when he beat her during one of his visits to the village. He spent two nights in jail and appeared before the magistrate before she dropped the charges, and left the family home for good.

Although Lerato maintains that her only concern is for the children and that, in her own words, 'two is company and three is nothing' (i.e. she has no interest / involvement in the failed marriage). She was readily proffered an elaborate account of the genesis of Sakhele's misconduct. Sakhele is afflicted by '*ikiwu*' a 'dark snake' inside of her, prone to making women both sexually insatiable and behaviourally erratic. This affliction was understood by both informant and fieldworkers to generate psychic and medical symptoms, and on further inquiry, is popularly distinguished from bewitchment. Lerato's enduring concern is reportedly for the children: the 13 year old girl bereft of a mother, and 15 year old son suffers from epileptic like fits and struggles at school.

The broad outline of Sakhele's misconduct explained by Lerato was widely shared by numerous respondents. Subsequent interview of the three Guba siblings highlighted their paradoxical situation: despite a regular remittance, and the comparatively high quality accommodation, they are painfully vulnerable. The girl misses her mother; the teenage son is ill and dispirited. Even the eldest son has been the victim of violent victimisation within the village, an event he found difficult to contest in light of his youth, lack of authority and absence of a social backer. He is, after all, a young man without status or employment, doing the woman's work of looking after two children.

Further enquiry, including the interview with Sakehle herself, came to modify the picture initially sketched by her sister in law, Lerato. Expecting a Transkei *medusa*, the research team instead encountered a middle aged woman, who had been driven from her home, missed her children and eked out a living working as a domestic worker for a middle class African family in Butterworth. She attributed her current predicament to her husband's fickleness, and intimated that he had numerous extra marital liaisons. It is important to note adjudicating the culpability of two partners in a failed marriage is hardly a productive undertaking, or the task of this research. Instead what emerges from this case study is the manner in which the dissolution of a marriage saw the husband able to eject his wife from the household (that she physically built); deny her resources and regulate her access to their children. His power to do this appeared complete and unchecked. Furthermore the dominant account of this entire episode, articulated within the village (his village, into which she married), is highly sympathetic to his position. It seems as though both the structural conditions and, indeed, the entire economy of affect, are asymmetrical and tipped against the scorned wife in this episode.

Case Study 27: Splitting the household - and smashing the house

At the entrance to the village of Kufushane stands a compound, with a collapsed hexagonal hut. While collapsed huts are not unknown in the former Transkei, I wondered why the new, shiny zinc (corrugated iron) roof had not been salvaged in this impoverished village. One of our final interviews took us to this homestead where we encountered Mamtwana. She was eager to speak and quickly launched into a narrative explained that the hut had not spontaneously collapsed; rather her estranged husband had deliberately demolished it.

Born in the Free State, Mamtwana met her husband in over 25 years ago in Johannesburg, where he works for the municipality. She was his second wife, bore him five children and reportedly got on well with his first, senior, wife. However their relationship deteriorated towards the end of the 1990s. He decided that as a newly ordained lay preacher, he ought to be joined by his first wife in Johannesburg. His regular remittance to Mamtwana then declined over several months and finally stopped. Her efforts to have it reinstated proved unsuccessful. Mamtwana recalls crying one month, when her husband arranged to have a paltry 10 kg of mielies (maize), 2 kg of sugar and 1 kg of beans delivered - a quantity of food that would feed her and the five children for less than a week.

In the narrative that followed, Mamtwana explained how she sought to enforce her rights. Inspired by her sister who had successfully claimed maintenance, Mamtwana took her husband to the local magistrates' court. Representing herself, and he with a lawyer, she secured a monthly maintenance order of R800 against him. In response, her husband laid a complaint before the Tabankulu tribal court. (We have a copy of this document). The written complaint accuses Mamtwana of misbehaviour, including: of selling her husbands cows, of 'inviting witchdoctors to their house' and of 'going around thereby demonstrating that she is having an affair' (sic). This hand written complaint from the tribal authority calls her to answer the complaint and states that if she does not successfully do so the customary union will be dissolved and the dowry forfeited. Having secured childcare maintenance in the magistrates' court, Mamtwana was now being subject to counter-attack via customary law.

In what can only be described as a remarkable act for an unschooled, geographically isolated rural woman, Mamtwana travelled to Umtata and consulted legal NGO, Lawyers for Human rights. Although unable to help, they referred her to a Mount Frere lawyer who appeared before the tribal court and contested their authority to dissolve the marriage. (The lawyer's compliments slip, attached to the tribal authority's complaint letter, offers documentary support of this point). The matter was referred to the 'larger court' (presumably the High

court), although it appears the tribal court proceeded and dissolved the union anyway. At this point it became unclear, and contested, as to whether Mamtwana is legally divorced.

Mamtwana's husband then proceeded to strip the household of its only real movable assets - its livestock. A vehicle appeared and took the Mamtwana's 17 goats, an act apparently, sanctioned by the unprocedural tribal court. After the ten head of cattle followed, Mamtwana consulted her lawyer to retrieve the livestock. The sheriff of the court reclaimed the livestock, only to repeatedly have them stolen back by some of the estranged husband's family. The sheriff attempted to avoid the impasse by having all the livestock moved to an alternate site, from which most of the cattle were subsequently stolen anyway. (Mamtwana sees the hand of her husband in this final act of dispossession). With only four head of cows left, Mamtwana paid the lawyer, the sheriff and the keeper of the cows with an animal each. The sole remaining cow she sold for cash. The livestock theft was reported to the police.

At this point with the escalation of acrimony, Mamtwana started to fear for her safety and moved closer to the road, to occupy her hexagonal ('six corner') hut within earshot of the neighbours. Further incidents of harassment by her husband occurred; he reportedly surreptitiously laced her water tank with an acidic chemical. It was also at this point that her alienated husband instructed her to leave the homestead; she assertively replied that she would not and that 'he was playing'. The next day, while she was out, her husband, his father and two brothers came to the homestead and demolished the hexagonal hut and damaged the 'flat' (rectangular dwelling), smashing the walls, breaking the doors and discarding all the food and clothes.



Figure 10: Mamtwana, her children and her grandchildren in front of the house demolished by her estranged husband

When her children ran to summon her, Mamtwana ran to her homestead but villagers restrained her, saying that she would be killed by her enraged husband if she confronted him. When she later returned to the homestead the pigs were rummaging through the last of her food amongst her possessions that had been thrown out. The police were summoned, but only arrived the next day, by which time her husband (who has a car) fled back to Johannesburg. His brother and father appeared before the magistrate, who dismissed the case saying it was simply a domestic disagreement. He found it implausible that a man would destroy his own hut.

The tenacious Mamtwana rebuilt the flat, but not the severely damage hexagonal hut. But it is perhaps indicative of the scale of her husband's victimisation, that his actions have divided even his own family. While rebuilding their flat, Mamtwana and her children resided with another one of her husband's brothers in the village (whom we interviewed). Some of her husband's family still include her in the all important traditional ceremonies while a splinter group of the family, sympathetic to him, conduct their own ceremonies.

In conclusion two essential points concerning Mamtwana bear noting. The first is that she contested her husband's abandonment and asset stripping with a great tenacity. For an illiterate and poor rural woman, she proved remarkably adept at accessing the machinery of law and challenging her marginalisation and victimisation. The second point is that notwithstanding these efforts, and the sheer egregiousness of her husband's victimisation, she was ultimately unable to enforce her rights. Her efforts to seek remedy from an often distant and unresponsive civic law ultimately proved ineffective, and at several points were undermined by a customary tribal court.

Here, we see the violent underbelly of the socially constructed values of dignity and respectability in the way those who do not conform to conservative definitions of what is appropriate for their gender are demonized and punished.

The above case studies are of older, married women, but the dynamics of marginalised are in some respects far more pronounced among a younger generation of women. The vulnerable position of younger women (such as Chuma Mfako, see Case Study 9 on page 32) within the networks of reciprocal exchange within which social capital is circulated needs to be understood against the backdrop of broader social and demographic changes related to the *unprotected marital status* of large numbers of unmarried and impoverished women. This was one of the less anticipated issues that emerged from the analysis of interview data. In a large number of households, a young woman, or her senior female relatives were constrained to take care of the child of an absent father who was either unwilling or unable to maintain the child. This pattern is partly a result of the sexual and courtship behaviour and choices of young men and women, but they also take place against the background of some broader social trends. Although fertility rates among African women are declining, the rate for African females is higher than for any other population groups; (Moultrie & Timaeus 2002); at the same time it does seem that fewer people are forming conjugal unions secured through the payment of lobola and community recognition. At the same time there has been an increase in popular discourse which focus simply on the choices of the young women concerned - for example the notion that young women are having children to get access to the child grant (which would surely be profoundly irrational, given that the direct and indirect costs of childrearing are far greater than the grant income). Certainly, no evidence could be found in the present study that young girls choose to have children because of the child grant; as Beth Goldblatt has

pointed out, these popular discourses seem to have little to do with real facts and may owe more to anti-women ideological attack (Goldblatt 2005). A more realistic explanation would centre on the broader economic shifts and changes that underlie the large numbers of young mothers. An important part of this shift flows from the collapse of unaccompanied male labour migrancy as it existed in the Eastern Cape in previous decades and the closure of the economic path to manhood that it enabled. A generation of young men are no longer able to constitute independent households. It is no coincidence that 'makhotis' (newly married, dowry-paid and respectable Xhosa matrons) were only ever found in households that had a male member (invariably the makhoti's husband or father in law) employed or recently employed in the formal economy. The consequence of this is that large numbers of African women enter into relationships - and have children, with no legal or cultural sanction protecting their rights within the relationships. Although makhoti status eludes them, they are technically entitled to claim maintenance from the biological fathers of their children, but this right existed in theory only - even where the fathers were employed and could pay maintenance the women involved seemed reluctant to press home their claims.

Often, of course it is older women who bear the brunt of these costs. Usually young women with children who were not being maintained by their fathers did not suffer social isolation, partly for the simple reason that they were usually able to rely on their own mothers for support. But when women were denied these links their situation seemed far more desperate - partly because, by defying conservative patriarchal gendered norms, they were far more at risk of ostracism and exclusion.

Finally, it should be pointed that it is not only women who were disadvantaged by the way in which patriarchal ideology and codes of respectability shaped the ways in which social capital worked. Young men were disadvantaged too. The collapse of the economic base upon which unaccompanied male migration had depended means one of the economic avenues to economic masculine empowerment had closed. Young men who can not accumulate enough to pay lobola and whose parents could not pay it on their behalf cannot constitute independent households in their own right, and also end up socially marginalised. Unfortunately this was an issue that could not be investigated in the context of this study; the research focus on households that depended heavily on grants tended to privilege female headed households, and young men were often peripheral, absent or invisible in these networks. Better understanding the social vulnerability of young men is something that will have to await further research.

7 CASH TRANSFERS AND LIVELIHOOD STRATEGIES

7.1 Using social grants

There is a well developed scholarship on the use of social grants (see e.g. Ardington & Lund 1995, Case & Deaton 1998; Lund 2002; Barrientos 2004). Some studies show that cash transfers (particularly to women) show a clear positive impact on the health and nutrition of other household members (Duflo 2003, Case 2001). Some however have argued that social grants have had perverse effects, leading for example to a reduction in remittances from children living away from home (Jensen 2003). Others have argued that cash transfers lead to a sharp drop in labour participation in receiving households (Bertrand *et al* 2003); a conclusion questioned by Posel, Lund and Fairburn, who have shown that Bertrand *et al*'s argument ignoring the realities of migration and the crucial role played by non-resident household members (Posel *et al* 2004). They argue that cash transfers may lead to increase labour market participation by rural African women.

The research shed some light on these matters. A large proportion of the households in the sample were grant recipients. Some 15% of individuals in the Cape Town urban survey, and 21% of individuals in Mount Frere, were reported to be drawing down some form of grant or other in 2002 (this includes adults receiving child care grants on behalf of children (see Table 15). Aggregated into households this meant that 41% per cent of households in Cape Town, and a massive 65% in the Mount Frere study were recipients of social grants of some kind or another (see Table 16). Because the present project selected half the households from the poorest quintile, the proportion of grant users was quite large: only nine of the 48 households selected for in-depth study in 2005 were not in receipt of a grant at the time of the research, and two of these were eligible households where a child grant had been terminated or lapsed for some reason and where the child's carers were either in the process of reapplying or intended to reapply.

Table 15: Individuals reported to be drawing down social grants (source: 2002 CPRC/PLAAS livelihood survey)

Type of social grant	Mount Frere	Cape Town
Pension Allowance	13.19	3.48
Disability Allowance	1.31	2.58
Child Maintenance Grant	5.77	6.91
Child Care Allowance	0.42	0.24
Care Need Allowance	0.27	1.02
No grant	79.05	85.77
Total	100.00	100.00

Table 16: Distribution of grant uptake across households (source: 2002 CPRC/PLAAS livelihood survey)

Number of people in household taking up grants	Mount Frere	Cape Town
0	35.98	59.26
1	31.52	26.89
2	20.78	10.14
3	7.95	2.58

Number of people in household taking up grants	Mount Frere	Cape Town
4	1.95	0.64
5	0.98	0.32
6	0.56	0.16
7	0.28	0
Total	100.00	100.00

In a few cases, interviews elicited detailed information about how grants were spent (see the discussions below). In most cases, informants' reports about grant expenditure were more general, listing only what grant money was usually spent on. Importantly, however, interviews also included information about the use of grants not only within the household but in the (sometimes distant) households to which they were linked, and also about the impact that grant receipt and expenditure had on the spatially distributed care chains and migration decisions.

In most households, then, grants clearly made a significant impact on day to day survival, allowing households to secure basic energy and food needs for the recipients as well as for other household members. At times, the difference this made could be crucial, as is perhaps most dramatically illustrated by the case of the Matibane orphans below, where the eldest of three siblings, still at school but too old to receive a foster care grant himself, shares his younger two siblings' grant. The use of grants to benefit household members other than the primary recipient is of course a well established feature of grant usage in South Africa (Duflo 2003) and the present study identified at a large number of cases where more than one person are 'eating from the grant'. In fourteen cases - most of which were concentrated in the Eastern Cape, receipt of a pension or a disability grant also made it possible for a recipient to do care work, looking after underage children (including children who were eligible for a child support grant that had not been taken up) or a relative (Case & Deaton 1998; Sagner 2000; Barrientos 2002; Goldblatt 2005). Here, disability grants and pensions can be shown to play a vital role underpinning the spatially extensive 'care chains' that allowed rural households to take care of the children of urban kin.

In at least ten of the cases receipt of grants played a role in other economic activities or investments, functioning as seed money in the informal economic activity of recipient households (for example, helping keep Vuyiswa's or Mamzoli's businesses afloat – see pp. 34 and 49) or facilitating agriculture by allowing recipients to pay labour or for ploughing. Grants also allowed people to acquire or improve homes - the Mashiyas, for example (see p. 109, but also household 158 on p.190). In some cases, there was also evidence of grants being invested in supporting, directly *and* indirectly, children's education or supporting their access to the job market - here we can list Vuyiswa paying her granddaughter's transport costs to school; Babalwa paying for Mfundisi's pocket money while he was studying tourism (see Box 4 above); the grandmother of the Matibanes helping paying for clothes for schoolgoing children (see the discussion below); using income from child support grants to allow older children to remain in school (household MF 627); and even sending money from the Eastern Cape to maintain a son who was searching for a job in Gauteng (MF 001)).

7.2 Making decisions about grants

Another important aspect of these case studies is the way in which they highlight the extent to which the wise expenditure of a grant was a *collective* household endeavour characterized by with careful *co-operative* decision-making about the allocation of scarce money. This we have already discussed in some detail on p. 109 above in our account of the way in which the Mashiya household combines and leverages their resources. There, it can be seen how the household judiciously uses a combination of resources to leverage their grant money and other resources to their collective benefit. Their social respectability and the regularity of the pension, for instance, allows them to not only to survive but to buy building supplies - an important investment in a core shared asset - while securing private medical care for Nolinda is a vital investment in keeping her alive, thus ensuring continued access to the pension in the future.

Another interesting – if somewhat special – case illustrating the importance of this kind of co-operative dynamic in the spending of a grant is provided by the story of the Matibanés:

Case Study 28: Aids orphans surviving on a foster care grant

The Matibane siblings — Zandisile (18), his sister Nokuthule (16) and their brother Sibongiseni (15) — are teenagers who live together in the village of Akulinywa. Effectively orphaned by the deaths of their mother and grandmother, they were initially distributed amongst various family members. But using the foster care grants they receive, they decided to reunite and reconstitute themselves as a household in the old family home. The interview was conducted in their home, a single small mud rondavel scarcely big enough for a single bed and a small table.

In 2002 the three children were being looked after by their grandmother, while their mother worked outside of the village, in the larger centres of Thabankulu and Johannesburg. The remittances she sent were small and only covered food; their grandmother used to buy them clothes with her pension money. She grandmother ran a small tavern from her home in order to augment her income. After 2000 their grandmother became increasingly ill, stricken with cancer and unable to eat. The eldest, then 14 year old Zandisile looked after her until she died in 2002. In response to this shock the children’s mother returned from Johannesburg (where she had been working as a security guard, for the funeral). Soon after this she grew ill, and never recovered. She ailed for a year with the HIV-like symptoms of fits, skin lesion and a ‘bad stomach’ before dying in 2003. Although some family would sometimes pool together money to take her to the doctor, Zandile reportedly again did most of the day to day caring of his mother. This disrupted his schooling and he was forced to repeat a grade.

With their grandmother dead and mother sick and unemployed the siblings recall this as a particularly difficult time. They relied on the beneficence of two women, both of whom they describe as mothers of their friends. One of these women is comparatively well off; she is employed as a teacher in the local school and owns a local spaza shop. The teenagers describe how they used to alternate between these two benefactors, going to one three times a week and the other twice a week for raw food that they would cook.

Following the death of their mother the three siblings were split up. Nokuthule lived at a distant uncle’s house in a different village before returning to another uncle in the present village, and eventually moving in with her great aunt. The youngest sibling, Sibongiseni, was

already living with his great aunt. Zandile in turn looked after the house of a distant relative (he does not know precisely how they are related) for which he earned R100 per month. He then stayed with yet another uncle and his cousins, but with the start of the New Year they all returned to Johannesburg (where the cousins were attending school). He was alone in the house and reportedly went hungry. It was at this point that the siblings agreed they ought to live together. They argued that they were raised together by their grandmother and were used to living together. They convinced their extended family to allow them to open their late mother's house. Of the three mud block structures on the property, one collapsed and another destroyed by lightning so the two brothers occupy the small hut (one sleeps on the floor), while their sister Nokuthule sleeps each night at the house of their benefactor, the teacher cum spaza store owner. She still cooks and eats with her brothers though, and considers herself part of their household.

The decision of the siblings to reconstitute themselves as a household was facilitated by the fact that their great aunt reported their orphan status to department of Social Development officials in Mount Frere, and successfully secured foster care grants for the two youngest children. Amidst frequent accounts of an unresponsive Eastern Cape state welfare machinery struggling with the demands on it the attentiveness and efficiency of the social workers has been nothing short of remarkable. As soon as the children started staying together, they were issued with monthly food parcels. They continued collecting these for four to six months at the local store or the chief's house before the two younger children started receiving two foster care grants totaling R1060. In 2005 the grant was raised to R1120. Moreover their great aunt describes doing relatively little to apply for the grant (she is adamant that she never even signed an application form).

Although the grant is paid out in cash every month at the local store, the social workers - supported by the siblings' relatives - maintain close control over its expenditure. The siblings and their nominal guardian, their great aunt, report to the social workers in Mount Frere every month and follow a strict budget. The research team accompanied them on one of these visits. Most of the grant is saved, as it will terminate when the children turn 18 years old. At the behest of the social workers the younger children had bank accounts opened in their names, and R300 is deposited in each account every month, while R400 to R450 is spent on groceries. The social workers told the children's great aunt not to report to them from May to June 2005, when she returned in July the social workers sought to confirm that the regular bank savings were still taking place. This was done to 'test' their management of the money. The children have each accrued about R3500 in each of their bank accounts. The social workers also tell the great aunt and her charges to allocate fund for school fees at the beginning of the year, along with a budget for clothes at Christmas time. Despite the fact that Zandile is not formally a recipient of a grant, they don't hesitate to summon him (via his great aunt) to these meetings. Although as an adult Zandile is chronologically ineligible for the grant, there seems to be wide acknowledgement amongst all concerned that the two grant are supporting three siblings.

Grant receipt is not entirely uncontested though. The youngest, Sibongiseni effectively dropped out of school mid way through 2005. The social workers responded by summoning him and cautioned him that his grant would be stopped if he did not return to school. They also warned him that he would not be entitled to the funds in his bank account, but rather they would accrue to his sister. They gave the great aunt detailed instructions on how to report the matter to the school principal. This intervention proved ineffective, and the social workers have sought to apply pressure on the somewhat beleaguered great aunt. They have warned her that if Sibongiseni's grant is stopped, she will have to feed him off her own pension. A prospect she greeted with some alarm.

The story of the Matibane siblings is an interesting document of the agency of the three siblings, and the way they acted to ensure their mutual continued well-being. By reconstituting themselves as a household, they were able to pool their resources, and also look after the oldest sibling who was not eligible for a grant, and who had borne most of the burden of caring for both their grandmother and their mother. Besides pooling the grant money, this recreation of the household helped them constitute themselves as a focal point for the care of their relatives.

A number of further issues are notable here. Most obviously there is the very interventionist role of both the extended family and the social workers. Less obviously, we should also note the way in which the foster care grant is supplemented with other, no less important forms of capital and resources, such as the pension of the children's grandmother, the built assets of their dead mother's home, and the significant social capital they are able to mobilise in enlisting the care of their relatives and family friends. How the grant and the other resources are used is not simply a decision of the individual recipients but is part of a broader process of negotiation and discussion.

To some extent the above story is a special case - the Matibane children's status as orphans and the special role of the social workers clearly create a situation that facilitates this kind of careful allocation and application of grant money. But at the same time, the kind of process described here in some detail - the making of careful decisions about grant expenditure - was present in some way or another in numerous cases. Here, our earlier argument about the importance of ideologies and practices of reciprocal exchange in the mobilisation of social capital, and the way in which these negotiations shape decisions about the distribution of resources in spatially extended kin networks is of central relevance. Just as the impacts of shocks are transmitted and redistributed between households in this broader spatial network, so are the benefits of grant receipt. Quite how a grant would be spent would be an individual person's decision - but that decision is taken in the context of the debts, obligations, expectations, claims and counterclaims involved in the practices of reciprocal exchange and the relationships these practices work to sustain.

Case Study 29: Sending the child but keeping the grant

One of the challenges of Lulama and Luleka (their household situation has already been described on p. 123 above) relates to the difficulties they face in caring for their children. Both of them are mothers. Luleka's child is nine years old and Lulama has in fact had two children – one by a man who now lives in a village in the Eastern Cape, and a second child (now aged six) by her current boyfriend, who lives in his own shack not far away. The first child died by drowning in the previous year, a fact she recounts with dry-eyed matter-of-factness. It is a measure of how impoverished she is, and how little money her family has, that she was unable to bury her own child. The child was buried by the father's family, and of her own family, Lulama was the only one who went to the burial. One key problem they have at the moment is that they do not have enough money to pay for childcare. Lulama's piecework takes her away from home for most of the day, but pays only between R70 and R100 a day, a sum from which she and her sister and their two surviving children have to live. Were Luleka to find a job, it is not clear who would look after the children. The sisters have no local relatives.

An important source of help here is their mother, who lives on her own in an RDP house in Port Elizabeth, surviving on a pension and on part time domestic work earnings. During the course of the research project she visited her daughters in Cape Town; and one of the consequences of her visit was that it was agreed Lulama's surviving child would live with her in the Eastern Cape. Lulama and Luleka say that they discussed the matter of the child grant. Their mother told them that because she was receiving a pension and some wages from her domestic work, she did not need the child grant as well. She suggested that they keep drawing the child grant in Cape Town. The sisters use the grant for school fees, clothes and food for Luleka's child.

Case Study 30: A very important son: Simpiwe Fikile

Mamzoli Fikile, whose business we discussed on page 49, describes Simpiwe as 'a very important son' - and meeting him and hearing his story, it is possible to see why. Simpiwe is a large, confident man who works as a bakery manager for a large supermarket in Kokstad. During the interview he remains busy, giving instructions, taking notes and taking phone calls the entire time – exuding the energy and the determination of a man who has fought his way up from extreme poverty, and who is taking his family with him. Coming from an impoverished background he and his siblings were raised by his forceful mother, living with grandparents while she worked as a domestic worker in major urban centres. He started in the early 1990s as a cleaner in Spar and worked his way slowly up the ranks in the bakery, starting as a doughman. His mother was a domestic worker in Durban but he told her mother to 'go home' – i.e. to return to Phuzayo village - supporting her by sending remittances. He also bought her a fridge so that she could start her business.

When his mother got a pension (it was in around 1993), the pressure eased – on her as well as on him. She was able to sell less, because she was getting the pension and did not have to make so much money. He himself was able to return to school, while continuing to work for Spar during the evenings, matriculating in 1993 and continuing his training as a bakery assistant. In this time he had to support his brother Thabo who had been retrenched from the coal mine where he had been working in Johannesburg, and Thabo's pregnant girlfriend (later wife) who had been disowned by her parents. He subsequently 'pushed' Thabo's wife to complete her schooling after she had had her baby (she subsequently became an ABET instructor). He also supported his younger sister Thozama through agricultural school in Pietermaritzburg (she works as a chef making in-flight meals for the airlines); another person he 'pushed' though education was his wife, whom he married in 1999. She completed her ambulance worker training and her drivers' license: she now works for one of the states pension pay-out contractors. Subsequently he left Spar and worked in Bizana for a while until he got his present position.

His aim is to ascend further up the store hierarchy; in the interim he has bought a house near Matatiele. During the week he rents a house in Kokstad; on weekends he goes either to Puzayo to visit his mother and see whether she is all right; otherwise he goes to stay in Durban where he also has family: because his older brother has neither the time to take care of family business (he is often away working in Angola or Mozambique) nor the mobility conferred by a vehicle, the responsibility of sorting out family problems falls on Simpiwe. He himself does not want to move too far from Phuzayo, because he worries about his mother. He explains: 'If something can happen, I will run there in the night'.

Case Study 31: Household synergies

In 2002 the seventy-three year old Nobuhle's household consisted of her and her two young grandchildren. On the team's 2005 return the house was shut up and empty and we learnt that Nobuhle had died. At what point, we wondered, does a household cease to be a household? The two grandchildren formerly resident at the homestead were traced to the house of Nomsa, the daughter of the deceased Nobuhle. Nomsa is the children's grandmother, so Nobuhle, it transpired was actually their great grandmother. The team sought out and interviewed Nobuhle's daughter Nomsa in her comfortable homestead, a mere five minute walk from her late mothers' vacant homestead.

Nomsa's household appears relatively prosperous, with well-constructed and spacious dwellings, modern furniture and a fair amount of livestock (including six cattle, and large numbers of smaller animals). Nomsa shares the homestead with her retired husband, her daughter in law and five grandchildren. The household's prosperity is bound up with the fact that her husband worked as a sweeper at the Roodepoort municipality since the 1960s. He retired to the village in 2000 and invested in building the two houses and acquiring livestock with his reported R42 000 pension payout. Their monthly income of over R2000 consists of two disability grants (received by Nomsa and her husband for 'arthritis') along with the four child support grants received for the grandchildren.

The re-absorption of her grandchildren into her household after the death of her mother is part of a long story of co-operative arrangements between Nomsa's household and that of her mother. In the distant past, when Nomsa's husband was working - but before her mother was getting a pension - they used to support her. Nomsa would bring her mother groceries and would pay her monthly contribution to the burial society. Two of the grandchildren lived at the nearby home of their great-grandmother. When Nobuhle began receiving her old age pension, the balance of reciprocal exchange shifted: Nobuhle was no longer so dependent on her daughter; and in fact she was often able to lend Nomsa money to bridge the shortfall in the hungry gap before she received her husband's remittance. When the elderly Nobuhle became ill with 'chest problems' in mid 2003 Nomsa was in turn able to repay that debt: she would cook for both dwellings and send food across with the grandchildren.

After Nobuhle's death in January 2004, her house was closed up. On our inquires Nomsa explained that it will remain this way until her mother appears in her dreams and tells her what to do with it. The boarded rondavels are to become the 'khaya khulu' (big house) were ceremonies will be conducted. Perhaps in future another family member will occupy it.

These stories show how the allocation of resources within and between households shift and changes over time according to the patterns of reciprocal exchange. Luleka and Lulama's arrangement with their mother allows them to pool two child grants to look after one child - an arrangement that is made possible by their mother's pension (had she not received the pension, it is likely she would have to do domestic work for more than a few days a week). It is notable that this arrangement, by reducing the child care burden on the two sisters (the child being cared for by their mother is the younger one) also increases Luleka's freedom to search for employment. Mamzoli's pension, in turn, freed up her son, who no longer needed to send such large remittances, to go to school, allowing him access to better earning employment; and he repaid this debt and serviced his obligations

as a son by using his earnings to support the schooling of his kin and extended family. Nobuhle's pension allowed a temporary reduction of in-kind flows from Nomsa's house into hers and – importantly – allows her to repay some of her moral debt to her daughter; when she became ill the net flow of benefit once again returned to her, to such an extent that the two households all but fused. As Nomsa's story about waiting for the dream shows, it is a relationship that appears, (for her, at least) to continue even after death.

Here it is important not to exaggerate. Clearly there are numerous cases where social grants are used in ways that do not optimally promote the well-being or security of the intended recipients. In the case of Lulama and Luleka, the team noted that Delia often liked to insinuate that Lulama and Luleka were spending the grant on clothing accounts for themselves as well as on food for the remaining child. But this does not invalidate our point. We have already highlighted how the circulation and use of social capital should not simply be romanticised, but is often accompanied by tension, conflict and disharmony. The use of pensions and other grants for the broader welfare of the household does not flow from some kind of selfless generalised goodness on the part of recipients, but also from strong social pressures, and are intimately involved with the personal hopes of the recipients, their histories of debt, obligation and expectation, the social credit they have already accumulated and hope to accumulate in their social networks and so on. How a person uses their grant will be partly shaped by their own history and their disposition and the extent to which they have themselves bought into the familial, communitarian and domestic values of *isidima* and so on. It will also be profoundly shaped by their social status and role.

Gender plays a role here: both men and women can choose to invest heavily in the well-being of their families but they often do it in very different ways. It is interesting, for instance to contrast Simpiwe Fikile, who serves his families through economic investment in the education and empowerment of his kin, with Mamzoli, Vuyiswa, and Nomsa who play their role primarily through investments in care work. Duflo (2003) and others have highlighted the particularly important role of the way older women invest their pensions – this is not, we suggest because only women will invest in the broader well-being of their kin, children and families, but rather because women play their role particularly through direct and vital unpaid investments in household reproduction and care work.

7.3 Indirect effects of grant receipt

Two issues here are of particular significance to policymakers. The first is the importance of understanding how social grants impact on supra- and inter-household distribution of benefits. We have already noted the concerns raised by some scholars who have highlighted the possibility that social grant expenditure may lead to a reduction in private remittances. Jensen has argued that this is indeed happening in South Africa, and that each rand of public pension provision leads to a 25 or 30-cent reduction in private remittances (Jensen 2003). Cox and Jimenez (1990), writing about social grants outside of South Africa, have argued that if private donors give less as public transfers increase, the effect of public programs on beneficiaries would be less than originally intended. As Francie Lund has pointed out (Lund 2002), this would be so only if one considers households in isolation: if a household is held to be a strongly bounded, independent, autonomous economic unit, the reduction of remittances in response to the receipt of a social grant would indeed be a problem for social policy. But the households we have looked at this study are not so bounded, and these re-allocations are not a

zero sum game. Rather, they form part of the larger process whereby resources are ‘moved around’ in the spatially extended networks created by practices of social reciprocity, migrancy and kin connections - process that play a key role in creating a network of ‘distal social welfare’ that extends well beyond those actually targeted by the grant. Because private remittances are used to ameliorate vulnerability in the absence of a comprehensive social welfare system, ‘crowding out’ should not be seen, as Cox and Jiminez do, as a cost to the achievement of social objectives, but as a way in which poor people leverage the benefits of the social welfare they receive.

But this ‘private’ social welfare is not universal or egalitarian in its workings. This leads to an important second point. Here, it can be argued that the receipt of social grants can help ameliorate some of the ways in which the unequal and gendered workings of social capital can lead to social exclusion. A case in point is that of Vuyiswa in our first case study, who at one point used the grant as seed money for her fruit and veg business, and then at another point used it to facilitate her daughter’s izila ceremony, thus investing in her daughter’s respectability, allowing her to marry again, and allowing her to return to employment. Here, two important things stand out. The first point to notice is the importance of the *flexibility* of how the grant was used - Vuyiswa’s ability to allocate resources first to one source and then to another - something that was facilitated by the grant’s being paid out as money and not, for instance, as food stamps. The second is that *the grant allowed Vuyiswa to transact in her kinship network*. In a context where social capital depends very much on *reciprocal* exchange, and in which lacking resources therefore is profoundly undermining of one’s agency as a social actor, receipt (*and wise use*) of the grant gives her resources in terms of which she can secure herself a worthwhile role in the system of exchange and negotiation constituted by the social network within which she exists. Not only does it allow her to transact from a position of greater power in her own household; it also allows her to intervene and contribute to the lives of distant relatives. From a situation in which she would be perpetually at risk of being seen simply as a burden on her kin, bereft of social capital and transacting with her relatives from a disempowered position, receipt of a disability grant makes her (to use an imprecise term) a ‘player’ in a way she would otherwise not have been. As Sagner has pointed out (2000; see also Barrientos and Lloyd-Sherlock 2002) pensions can play an important role in helping those who would otherwise be marginalised to accumulate social capital on their own behalf.

7.4 Grant abuse

The section that follows looks at the misuse of grants, it seeks to discuss some of the complexities of defining inappropriate grant use, before considering misuse in terms of recipients receiving grants that they may not be eligibility for.

In the research process, the research design and team placed great emphasis to developing a detailed understanding of how the research participants constituted their livelihoods and the place of social grants in these. A consequence of this analytic receptiveness to complexity of the peoples’ livelihoods in context is that cases of what initially look like grant misuse or at the very least, imprudent grant use become far more intelligible. An example of this would be the case of Vuyiswa and how her saving of R300 to R400 of a disability grant for her daughter’s izila ceremony becomes far more comprehensible and justifiable when considering what the successfully completed izila ceremony will enable. Vuyiswa’s daughter not

only owe her a debt of gratitude, she will be able to respectably remarry and go out and earn an income, all of which will assure Vuyiswa of continued support in future. Vuyiswa's saving of a grant for a traditional ceremony therefore becomes considerably less ill-considered.

This example shows that adjudicating appropriate grant use versus grant misuse is a difficult undertaking which can be made all the more analytically perilous by not having a sufficient grasp of the larger, household, communal and socio-cultural mores that shape individual actions. Similar, difficult questions, could be asked of the example of Mrs Cebe (see Box 4) where the child support grants were being spent on educating older children (to hopefully gain a foothold in the formal economy) at the direct expense of the nutrition of the younger (designated grant recipient) grandchildren. Adjudicating the appropriateness of this division of social grant resources, and the stark livelihoods dilemma underlying it, is extremely difficult. If Nomalanga's terrible choice seems wrong, it is at the very least plausible. This is not to say that the research process did occasionally not pick up instances of grant money spent on items with very limited social utility (such as alcohol); it is the fact that virtually everything else recipients spent money on could be justified, when viewed within the context of recipients' lives.

Grant misuse is far easier to discern in terms of inappropriate grant recipients, rather than inappropriate expenditure by legitimate recipients. Disability grants were obviously the grants that could be most easily misused in this way. Here a specific example is instructive. Several of the respondents in the rural Eastern Cape reported that securing a disability grant necessitated the payment of a bribe to a prominent local official. In some cases this would be an ongoing bribe, a proportion of the disability grant paid every month to the official concerned. Many respondents spoke quite freely of this, breezily naming the person concerned. It seemed to be an open secret in the district and several households reported having a disabled member who was unsuccessful in their attempt to secure a disability grant because they were not able to afford the bribe.

Conversely a consequence of this appeared to be several households with middle age (invariably pre-pension age) members who were in receipt of disability grants yet did not look conspicuously disabled. Although it is all but impossible for researchers conducting interviews to discern whether disability grant receiving members are sufficiently incapacitated - this is a biomedical and bureaucratic question well beyond the scope and ability of the research team - some recipients did not appear disabled. The case study below captures some of the contradictions inherent in who receives a disability grant.

Case Study 32: A road worker with a disability grant

The contents of fifty three year old Monica's neatly plastered and whitewashed hut attests her array of livelihood activities. Behind a curtain hangs the reflective vest and a single orange traffic cone of those employed in a community road repair project, and alongside it is the cow tail whisk and white bead necklaces of a sangoma. But not visible is the disability grant she receives.

Monica lives in the homestead with her 16 year old son and eight year old grandson, but she has three grown daughters and a son. One daughter lives in the village, while all the other children are resident in Cape Town or Johannesburg. Many years ago Monica was called by

the ancestors to become a sangoma. She then left the village to work in as a crafter and sangoma in a tourist facility in the former Bophuthatswana. Monica sent remittances, returning home for brief visits and when her ill and long unemployed husband died in 1992. Her relatively well paid work at the tourist resort came to an end with the unrest that accompanied the dissolution of Bophuthatswana. After Monica returned to the village permanently in 1996 it was a difficult time, and her family was reportedly starving. In response their predicament her then 23 year old daughter dropped out of matric and traveled to Johannesburg to find a job. What she soon found in Johannesburg was a husband. Only her husband was jealous and reluctant to allow his wife to work; yet she needed to earn money for her mother and siblings. A deal was struck and it was agreed that they would send a regular sum of R300 to her mother. In this period, when Monica became ill, her married daughter and husband's support extended to paying for her to consult a doctor. Their regular remittances only ceased in 2004, when Monica successfully secured a disability grant for her arthritis.

During the late 1990s another source of support, but only food and groceries, was the third of Monica's married daughters, who lives in the village. When this daughter's husband died in 2001, she became less able to support her mother with four young children to feed. However this daughter subsequently had a liaison with a man who is the ward councilor in the area. He moved into her house and fathered a fifth child. Politically connected, it was this ward councilor who secured Monica a job on the community road maintenance programme in 2003. According to Monica he did so because he could see that she was (in her words) 'suffering'. However one cannot discount the possibility that fifty year old Monica, receiving a disability grant for arthritis, was favoured for the road maintenance project due to her new kinship status. Whatever her kinship status though, Monica is required to actually work. She would often walk kilometers from the village and be visible toiling at the side of the road, filling in potholes with a shovel. For this work, twice a week, she receives R300 a month. Although it would be inappropriate to suggest that middle aged Monica is in perfect health, or that disability grant recipients ought to be excluded from the opportunities conferred by community projects, the severity of her condition does not appear to be an impediment to this schedule of manual work.

7.5 Access, uptake, exclusion and costs of social grants

There are well documented problems in social grant administration, included here is discussion of the rigidities and difficulties poor people encounter when trying to access grants. These barriers often serve to mitigate against economic activity and mobility.

One of the chief problems regarding social grant administration are the requirements that need to be met, in order to secure a grant. Particularly in the rural Eastern Cape the state machinery is thin on the ground and its agents generally unresponsive. So a key point is that that poor people are caught in the middle of a contradiction in terms of the way in which the state works. On the one hand, access to public goods, including social grants, is subject to carefully specified formal requirements. These requirements flow from the nature of South African 'governmentality' - the social technologies on which the state relies to govern at all. J.C Scott has showed how important these social technologies are for rendering society visible to the state and allowing it see e.g. poor people. However if poor people cannot conform to these conditions, if they cannot make

themselves visible to the state by then they cannot be recognised as grant recipients by it. However a key defining point about the local state, particularly in the rural areas, is its weakness and lack of capacity, rendering it unable to provide poor people with the services they need in order to comply with its requirements in the first place.

Generally speaking, poor people's inability to make themselves visible to the state takes two possible forms. In many cases, as per the case study below, they struggle to afford the transaction costs associated with attempting to secure a social grant from inefficient and unhelpful state welfare machinery. The transaction costs swell substantially when the grant recipients do not have birth certificates or identity documents. Particularly in the rural areas, with the greater travel involved and an often less responsive state, the transaction costs hurdle becomes insurmountable. Especially when the parents or care givers of children do themselves not have identity documents to enable them to be 'seen' by the state. For instance to be an adult without an identity book (not an unknown occurrence) applying for a child support grant requires sustained engagement not only with Department of Social Development officials, but also with the department of Home Affairs (to first obtain an official form of identity) along with the traditional leader where one lives (to attest to the fact that one is a resident the area). Applying for a foster care grant, probably the most onerous of all the grants, requires engagement with many of these entities (Social Development, traditional leader and possibly Home Affairs), along with another arm of the state, namely the local magistrates court. The case study that follows illustrates some of the complexities and transaction costs associated with applying for a social grant.

Case Study 33: Two stories about the costs of a grant

(1) Nomalanga lives in the distant village of Kufushane, with little more cash income than the monthly sum of R300 her husband earns for herding cattle. Her grandchildren consume the small proportion of the child support grants that she does not remit to their mothers (Nomalanga's daughters) who are schooling elsewhere. When the child support grant Nomalanga was receiving for her then seven year old child abruptly stopped in 2002 she was reluctant to reapply for it. A return trip to Mount Frere costs R32 (R16 one way). At least two trips are required to apply for a grant (total cost R64) and one is far from assured of getting it. One may travel to town only to be told by the by Department of Social Development officials that they are not currently registering children for grants, or that they will be doing so next week, or that one ought to wait for them to do a registering campaign in the village (despite the fact that no such campaign was conducted in 2004). Besides, even if she were to get the grant it may, with no warning, be discontinued again.

Nomalanga's husband, who is elderly and frail, could conceivably be a disability grant recipient. However securing the grant will require not only the minimum of two visits to distant Mount Frere, Nomalanga knows that they will have to see the District Surgeon in Thabankulu. The village of Kufushane is not only difficult to access along a single dirt track, it falls administratively between two separate towns. So while Kufushane village falls under the Thabankulu municipality, many of the provincial level services (except, inexplicably, the district surgeon) are based in Mount Frere. This necessitates trips to both towns. The costs of travelling to Thabankulu are equivalent of travelling to Mount Frere. Assuming then Nomalanga and her husband undertake two trips to Thabankulu (as they have no way of knowing if the district surgeon will be available on a first visit) an additional expenditure of R64 is entirely possible. This sum of R128 for transport (in the back of an enclosed pick up truck or bakkie) would easily escalate by R30 to R40 with the purchase of a bit of food for

lunch and payment for the photocopies of his ID book required with the grant application form. Therefore a final (and probably very best case scenario), of R150 – R160 applying for the grant is entirely possible. This for a grant that might not be awarded, represents an enormous gamble for an extremely cash poor household living on R300 a month. As a fieldworker summed up the merciless calculus of applying for a disability grant ‘they if they go for a grant maybe they don’t get it, and they only eat R150 that month’.

(2) We have already described Mam Thandi and her spaza on p. 53 . When the child care grant was extended to children aged 14 years, Mam Thandi applied for a social grant for her daughter Didi. In February 2005, the grant was terminated. She had to queue for a whole morning to find out what was going on: the DSD officials told Mam Thandi that she had to get a certificate to prove that her child was attending school. When she showed the research team the form the official had given her, they noted that the official had spelled her child’s surname incorrectly (Gxalane, not Gxalathane). Mam Thandi did not think she could do anything about this. She went to the school and got the form signed by the principal. Then she reportedly had to go to the local police station to sign a formal affidavit confirming her place of residence and stating that her child was going to school. She reportedly also had to get her ID document photocopied. Then she returned to the DSD offices to provide them with the form. When she did so, the official noted that there was a discrepancy between the name on the ID document and the name on the form, and refused to accept the document, sending her back to her school principal with a second, now correctly filled in form. She returned with this; but reported that on the day she had set aside to submit the form, she had not gotten to the front of the queue by the time lunchtime arrived: the officials closed shop for the day and she had to return home having accomplished nothing. She returned a fourth time; this time accompanied by one of the fieldworkers, Sibongile Mtini, and again she did not get served. She returned a final time the next week, and this time she managed to get the form submitted. The payment of her child grant resumed a month or so later. She had lost more than six months worth of child grant payments due to this interruption. In addition, on each of the days that she had to queue, she had had to close her spaza; costing her, she reckoned, R 40 or R 50 in lost revenues each time – easily the value of another whole month’s child grant payment.

The above case studies are examples of a modestly complex grant to access. It is not a scenario complicated by the need to access the local magistrates’ court, nor is the above protagonist devoid of an Identity document. If these factors were present in the above case study, the requirements and time span required would rapidly escalate.

In conclusion the difficulties around the uptake of and access to grants are not to suggest that administrative procedure and bureaucratic rigour are undesirable, it is simply to make the point that these procedures can impose substantial transaction costs on the most vulnerable and impoverished of potential recipients. Moreover these transaction costs are exacerbated when the state and its agents are absent or inefficient. The transaction costs become even more substantial when the states agents are rent-seeking or predatory (as in the case of the disability grant related official above).

8 REDUCING VULNERABILITY AND DISEMPOWERMENT: SOME KEY POLICY CONSIDERATIONS

8.1 Introduction

In the previous sections we have looked at some detail at what we have called ‘private social protection’ or ‘distal welfare’ - the strategies evolved by people on the margins of the formal economy and in the contexts created by labour migrancy. We have suggested that these strategies are in part responses to the very particular conditions experienced by people surviving in post-Apartheid migrant networks in Cape Town and the Eastern Cape. These conditions are characterised on the one hand by a high degree of integration with the formal economy – and consequently high levels of monetization and cash hunger – and on the other by the scarcity and fragility of stable, formal employment, and by adverse conditions for informal economic activity. The strategic arrangements and livelihood approaches we have described here represent important and complex responses to this challenging environment – but, as we have argued, the costs and burdens that flow from this vulnerability are unequally distributed. This is something that is often missed by accounts that *simply* emphasise the resilience and ingenuity of poor people, and that focus on ‘coping’ in isolation without looking at long term sustainability and the costs of those coping strategies: those with less social power, those with less resources, and those marginalised within household arrangements and kinship structures also carry a disproportionate burden of the shocks associated with poverty, labour market marginality and ill health. Powerlessness very often seems to breed more powerlessness, as those who still have some leverage and some power often externalize and pass on costs and burdens to those below them.

We have suggested that within these strategies, social grants can do much to mitigate the ill-being associated with poverty. In some cases – the Mashiye household described on page 109 above is a key example – a pension or a disability grant is all that stands between a household and complete destitution. In general, social grants, particularly disability grants and pensions can play an important role in allowing people to leverage scant resources, can support informal economic activity, allow investments in the productive capacity and human capital of the household. Finally, pensions and disability grants in particular, and to some extent foster care grants, have the potential to empower marginalised people socially, allowing them to accumulate ‘social capital’ and transact effectively in their kinship networks.

What does this mean for social policy? In the following few pages we sketch out some important consequences. In the first place, we argue that one important component of strengthening the impact of social spending is not merely to worry in a narrow sense about whether people are spending money on the right things, but to make sure that the grants are received in a context in which it is possible for people to *make* creative or effective choices about how they will spend their grants in the first place. A key role of policy, other than merely providing social grants, should be to create *enabling conditions for effective grant use*.

This means that one key underlying component of ensuring the effectiveness of social spending is to ensure, in the first place, that social spending and social policymaking is integrated within a more coherent *overall social and economic* approach to poverty alleviation. At the very least it means that government should not, in a general sense, give with one hand and take away with another. The effectivity of social spending is undermined if social spending happens in a context where there is no integrated framework for poverty reduction in government; or where other social and economic policies *increase* the vulnerability and burdens of poor people.

In the following pages we explore some of the requirements for a more integrated approach to reducing the vulnerability of poor people and the costs imposed upon them by poverty. The first overall goal of pro-poor policy should therefore be to challenge *in a general way* the patterns and processes that tilt the playing fields against poor people and which create the vicious circles of disempowerment we have described here. The conditions that undermine effective grant use by individuals on the ground *are often the same as those that more generally undermine the effectivity of other kinds of economic activities and choices*. This requires that pro-poor policymaking in government transcends the conceptual divide between ‘social’ and ‘economic’ policy. Policy should pay attention to the broader social relations and arrangements that can either be empowering or disempowering to poor people. This requires going well beyond the limitations of current thinking on the ‘second economy’.

Secondly, we argue that social policy and the design of cash transfer programmes in particular be sharpened by a clearer understanding of their role in South Africa. Policy reform should play to the system’s strengths, and be informed by a solid understanding of just what these strengths are. Finally, we comment on some specific changes and policy options open to designers of ‘social development’ policy and cash transfers in particular.

8.2 Ensuring enabling conditions for effective social grant use

In the first place, it should be said that our recommendations here hinge on a set of assumptions about what constitutes effective social grant use. This study cannot judge, finally, on what sets of practices and choices constitute the best strategy for poor people wanting to get out of poverty. It is not possible to adjudicate, for example, whether high-risk strategies that may generate high returns are better than strategies that reduce risk in return for more moderate incomes (this is often an assumption in some of the analyses of the trade-offs that are forced on poor and powerless people - see e.g. Wood 2003). But it does seem that insofar as social grants play an important role in the kinds of practice that allow people on the margins of the formal economy to reduce vulnerability, invest in accumulating ‘human capital’, accrue social capital and engage in economic activity, they may well make a significant contribution to more than mere amelioration, they could form part of viable strategies for escaping from poverty, and they can be argued to have an economically empowering role – even if only a moderate one.

At the same time, our argument seems to indicate that this is only part of the picture. Many times our argument has highlighted key factors that could play a role in undermining or enabling effective grant use. The mere fact of uptake of a grant

by an individual in a household is not in itself a guarantee that this grant will be optimally used. Much depends on the ability of grant recipients to ‘leverage’ resources in the way we described in some of the case studies of careful grant usage. To some extent these differences were due to individual decisions and ability. Headman Mhlaba, for instance, does not at present draw down any significant grants at present, but were he to do so, there is no indication that his household would spend it any less *ineffectively* than his current stipend. But the ability to make effective use of a grant is not merely dependent on the vagaries of ‘character’, and individual choice. They are also powerfully constrained by other underlying factors - the conditions for effective grant use.

Some of these underlying conditions are fairly obvious. The Matibane case study, for instance, highlights the crucial role that (the often criticised) social workers can make in ensuring the effective use of a grant. Here, effective grant use is enabled, not simply by the interventions of the social workers, but also by the pact established between the social worker and the siblings’ relatives. The success of that case study powerfully shows the difference that can be made when interactions between government service providers and citizens are constructive. This contrasts strongly with the numerous stories of ineffective social service provision – not invalidating them, but indicating how much more can be achieved when services perform their function.

Others are less obvious and require looking at the nature of social and economic empowerment with a wider lens. Much of our argument in the fifth chapter has been about the generally disempowering nature of the broader economic context within which people operated. This broader context was one in which the scant monetary resources of poor people was often spent on unproductive expenses (the high cost of transport both in the Eastern Cape and in Cape Town is a case in point); or on disadvantageous and adverse connections with the formal economy. Similarly, the ineffectiveness of the local state is not something that only matters in poor people’s interactions with the Departments of Health, Education, or Social Development. It undermines people’s empowerment as citizens generally. The erosive influence of the fear of violence and crime on economic activity that figures in some of the case studies described here and in the work of Cichello; the more subterranean and invisible role played by the lack of enforceable rights and the threat of violence in enforcing gender roles; the lack of societal regulation and protection of conjugal rights and contracts - all these are socially and economically disempowering in a broad sense. They undermine not only the effective use of grants, but the *entire range of economic activities* open to poor people. And this means *that ensuring enabling conditions for effective grant use is not very distinguishable from ensuring enabling economic conditions more generally.*

This poses important challenges for poverty reduction strategies. In particular, it suggests that it is necessary to transcend the ‘Chinese wall’ that often exists between social policy on the one hand (conceived to be the responsibility of the Departments of Social Development, Housing, Health and Education) and economic policy (seen as the prerogative of DTI and Treasury). There is a danger that the present conceptual divide feeds into a lack of integration between strategies aimed at growth, and strategies aimed at helping the poor. Having a more integrated coherent *overall* vision of how social grants can be part of pro-poor growth strategies – and how pro-poor growth strategies can help poor people ‘leverage’ their grants – is of key importance. This means, we suggest, that it is necessary for government to go beyond the conceptual dichotomies of ‘second economy’ discourse; that it should think in a more coherent and inclusive way about creating

economically empowering conditions for those in the survivalist sector, that it should challenge the social and economic processes that create social disempowerment and marginalisation in the first place, and which impose disproportionate costs on poor people. One of our key arguments in this paper has been that extreme uncertainty and vulnerability create a disabling context for poor people, requiring them to stretch already scant resources even further, forcing them into highly unequal and adverse trade-offs; a less uncertain environment, in which marginalised people are less exposed to costs and burdens imposed upon them by those slightly more powerful than they, would leave them freer to make effective social and economic choices, investing resources into their own and their kin's economic and human capacity.

8.3 The 'second economy' revisited

One important area where this needs to be pursued is in addressing the set of issues currently framed in policy discourse on the 'second economy.' As we have said before, the second economy discourse marks an important recognition on the part of government of the limitations of 'trickle down' approaches, and of the reality that poverty in the South African economy has important structural dimensions. At the same time, the research findings cast into doubt the notion that the second economy should be seen as a problematic realm, defined by its lack of connection from the 'first economy.' In particular, announcing the need to 'eliminate' the second economy, as some of the formulations around ASGISA do (e.g. RSA 2006:8), seems particularly unfortunate.

For one thing, our findings highlight the vitality and the importance of informal economic activity, and provide evidence of the creativeness and inventiveness of poor people who use resources to leverage some additional advantage or benefit for themselves in conditions of great uncertainty and scarcity. Often the strategies they adopt seem to be rational responses to these difficult conditions, not evidence of a lack of training or entrepreneurial know-how. Devaluing 'survivalist' businesses, or trying to remake them in the image of a received idea of what a business 'should' look like in the difficult conditions of township or former homeland life may not be an appropriate response. It is far from evident that a large scale process of modernisation - whatever that might entail - would help very much at all. Rather, careful attention is needed to the ways in which 'informal' activities and what we have in this report called 'nano-enterprises' can be empowered and made more effective or rewarding.

This leads to a second point. As we have pointed out, our findings seem to suggest that 'structural disconnection' does not capture the situation of the individuals and households described here. Far from being trapped in a 'third world' time warp and disconnected from the formal economy, the people we engaged with are thoroughly integrated with it. Their economic activities are thoroughly caught up in the economic networks that are plugged into the mainstream of the South African economy. Many of their activities and transactions, as we have pointed out, are thoroughly monetized, and even in the so-called 'deep rural' areas commodity systems are thoroughly dominated the lead firms and large corporations of the urban centres: Tiger Brands and Packco, Pick n Pay and Shoprite, Cell C and Vodacom.

This should not be a surprise. The entire history of the migrant system that arose in the Eastern Cape and the urban communities it generated is a story of *integration* lasting for more than two hundred years. Some of these connections

are creative. Formal employment, for instance, can be used to support informal economic activities and forms of self employment that would otherwise be much more vulnerable. High rates of saving and remittance from labour migrancy have meant that, despite very low wage levels in the Apartheid years, some Eastern Cape households have accumulated significant savings - enough to amass considerable assets, and to invest in the education of offspring. Other connections are less advantageous, as when high degrees of monetization undermine the social relations that underpin agricultural production, or when large urban based multiples repatriate profits and undermine local multiplier effects. Certainly, our findings suggest that the way in which powerful supermarkets have reconfigured commodity chains has had an immense shaping influence on the economic terrain on poor people have to pursue their own economic activities. The problem lies not in lack of connection but in the *nature* of the connections: the spatial arrangements, for instance, that make it very difficult for African urban migrants to gain access to wealthy markets, while powerful national supermarket chains compete against small self-employed businesses in the townships.

One troubling issue in this context is that in some ways the terms of integration seem to be worsening for many poor people. Some important positive connections into the formal economy – those that allowed steady remittances from urban areas by male ‘circular migrants’ for instance – are fading; at the same time as the effect of the HIV/AIDS crisis poses new burdens of care, transmitted through spatially extended care chains from urban areas into poor households, often with elderly and female heads, by the unequal terms imposed by patriarchal gendered ideology and female head. One set of connections that, for all their adversity, allowed significant rural savings is disappearing. But at the same time other - and less advantageous - connections are strengthening. Engaging with these dynamics is a challenging but vital task.

A second set of issues relate to the consequences of informality and weak governance, particularly along the gender divide. In many of the case studies described here poor rural people seem to be at the mercy of power holders who could exploit positional advantage over them in a way that was at odds with their identities as citizens. This increases vulnerability and undermines pathways out of poverty. Nowhere was this more true than for rural women who did not conform to the tight constraints imposed upon them by what ‘respectability’ and patriarchal society demanded - particularly in a context when the end of earlier paths to economic adulthood and thus to household formation mean that conjugal contracts are changing. Although poor womens’ willingness to contribute huge amounts of unpaid carework is a massive and invisible contribution to the coherence of both rural and township life, these unequal processes of change end up making them - and the children who depend upon them - deeply vulnerable. Grants can play a part in mitigating this vulnerability; but in order to address these problems, the legal, social and economic underpinnings of poor women’s marginality need to be addressed

8.4 Creating an enabling context for informal economic activities

It is not within the remit of this report to suggest detailed plans to empower informal economic activities. Here, all that can be pointed out is the lack of effective *pro-poor* informal sector policy in South Africa: while on the one hand, it has been clearly recognised that the so-called ‘survivalist’ section is massive in size

and contains a preponderance of women (a group the Department of Trade and Industry has a declared commitment to support) the Trade and Industry white paper contains no proposal as to how this sector can be supported (Devey *et al* 2006). Rogerson (1996) distinguishes between, on the one hand, the survivalist sector, which is characterised as comprised mostly of the activities of those who are unable to secure regular employment, with incomes ‘fall[ing] short of even a minimum standard of income’, little or no opportunities for growth, and animated by little beyond the ‘desperate attempt to survive’ - and, on the other, micro-enterprises that, though they lack the trappings of formality, ‘have the potential to develop and flourish into larger formal small business enterprises - and then proceeds to focus almost entirely on the needs and challenges facing the latter section (see also Ligthelm 2004; Ligthelm 2005). This bias, Devey *et al* argue, has continued to characterize post-transition industrial policy, with almost none of the initiatives and policies formulated by the DTI having any real relevance to the informal and survivalist sectors.

Part of the problem is that most writing on the informal sector is informed by a powerful set of normative assumptions around the nature of economic activity, putting the self-contained *business* enterprise, which is at least in principle separate from the domestic economy of the entrepreneur, which secures labour through a market relationship, and in which growth and predominance in a particular market is an assumed underlying aim. Viewing the survivalist section through such a lens, not much *can* be said. As we argued earlier, even micro-enterprises that have gone well beyond survivalism still depend in complex ways on subsidies and interrelationships with other formal and informal activities. Policy for the survivalist sector should not be aimed at first trying to transform economic actors into nascent ‘businessmen’ or -women. Rather survivalist aims should be recognised as valid and contextually appropriate, and policy should be aimed at leveling the playing field where it is skewed against thoroughly marginalized and disempowered people.

Laying out the elements of a policy framework which goes beyond these limitations, and which genuinely empowers and supports survivalist activity, goes beyond the scope of capabilities of this report. Clearly there is a need to think about ways to encourage large retail to play a less extractive role and to encourage local multiplier effects, and to address the skewing of the competitive playing fields against survivalist retail. But even before that, it can be said that government thinking could begin with a focus on identifying some of the broader factors which undermine economic activities of poorer people. Undoing the racial legacy of Apartheid spatial planning, and the way that urban planning frameworks relegate poorer people to the distant city margins, for instance, is one important challenge. If that cannot be done, ensuring that poor people can get easier and cheaper access to the markets in the wealthier urban hubs is a priority.

But perhaps the most important conclusion flowing from our findings about the fragile, vulnerable and dependent nature of ‘survivalist’ and micro-enterprises is to re-emphasise the importance of integrating pro-poor thinking into policy frameworks for the ‘*formal*’, mainstream economy. All too often, the recognition of the inventiveness and resourcefulness of people in the informal sector leads to an invalid assumption that the informal sector for this reason can, on its own, be a major part of the solution; that poor people, left to their own devices and provided with the bare minimum of an enabling *legal* framework, can capitalize on their resources and power their way out of poverty. The evidence marshalled in this report offers very little support for such optimism. Informal sector activity and

‘coping behaviours’ though clearly vital, and often very sophisticated, seemed for the most part highly marginal and fragile, and survival often came at a very high cost. Very often, being able to secure resources from the mainstream economy - either in the form of wages, or in the form of social grants - was what made informal economic activity possible at all. Furthermore, as we argued above, staying or getting out of poverty seemed always to depend in large part on individuals getting access to a steady, salaried, formal sector job. This has important implications. The poor cannot be left to the informal economy. *Employment creation in the mainstream economy must needs be a central plank in the platform of any realistic anti-poverty policy.* This is another reason to be very cautious of ‘second economy’ discourse: satisfaction at the apparent ‘success’ of the first world economy must be tempered by an awareness of its failure to create enough employment, and ‘second economy’ discourse can all too easily become a way of isolating the mainstream economy from a more searching appraisal (Frye 2006).

8.5 Addressing social exclusion and disempowerment

A second raft of policy issues relate to the issues of social exclusion and social power relations.

Here, foregrounding gender and looking at gender power relations is absolutely central. The social exclusion of single female household heads, and the marginalisation of those who do not conform to very narrow gendered ideologies about female roles and activities is a key problem. Careful thought has to go into developing legal frameworks that can recognise real-existing relationships (which do not conform either to western or traditional arrangements) and protecting the rights of people within it.

Beyond that, a key issue that needs attention is the weakness and incapacity of the local state, particularly in the deep rural areas. This is a sensitive political issue. Yet the political sensitivities around the constitutional status of traditional authorities’ power should not allow us to look away from the fact that these bodies seemed, in our study, to be highly ineffective. The absence of an effectively local state and the lack of any real sense of citizenship meant that poor and vulnerable people were entirely at the mercy of local power holders. This also meant that measures intended to ameliorate vulnerability (e.g. the disability grant) were actually used in ways that benefited wealthier people. Gender issues, and the forms of female vulnerability created by the changing nature of the conjugal contract, and the erosion of the economic basis of previously viable paths into economic adulthood, also need special attention.

8.6 Ensuring the effectivity of social grants

Thus far, we have argued that ensuring the effectivity of social spending is in part about creating a generally more supportive and enabling environment for those at the margins of the formal economy. Uncertainty, lack of resources, unequal social power relations, violently enforced patriarchal ideology, and the ability of powerful elites to engage in rent-seeking, crowding-out and anti-competitive behaviour are among the factors that skew the playing fields against the recipients of social grants. In a compelling ‘vicious circle’ of disempowerment, those without

resources are less able to enforce their rights and protect their remaining assets; are less able to resist highly unequal reciprocal exchanges. These factors impose costs of their own, ensuring that poor and marginalised people bear a disproportionate share of the burdens imposed by shocks, by lack and by uncertainty; and mitigating these factors can help poor people use their scant resources more effectively. Thus one key component of ensuring the effectivity of social spending, including social grants, is simply about creating more empowering (or at least less disempowering) social and economic conditions in general.

More particularly, social grants as a component of social spending can make a powerful contribution towards reducing vulnerability and ameliorating the structural conditions that can trap people in the vicious circles of disempowerment and immiseration. But this requires that social grants are designed, delivered, administered and justified in a manner that is coherent and focussed, and which allows both government and grant recipients to benefit from the strengths and benefit of the system. A few key issues are highlighted here.

8.6.1 Overall approach: playing to the strengths of the system

Social welfare in general, and cash transfers in particular, is a contentious area - particularly since the increasing dominance of fairly ideologically-driven approaches to welfare that have focussed more on politically capitalising on taxpayer resentment than on a dispassionate consideration of what is needed to help eradicate poverty. In South Africa, the terms of the debate appear increasingly to be set in ideological terms - in relation, for example, to the notion that cash grants could help create 'cultures of dependency' and the like. In this context it is important that the social and economic value of cash transfers and the social welfare system is recognised and the economically empowering effects highlighted and pointed out. The findings of the research discussed in this report offer scant support for any notion that social grants are creating a culture of dependency. Clearly there are 'free riders' in the system (although as the case study of Noluntu Mgavu on p. 122 suggests, free riders would be there in any case, with or without social grants); but for the most part, the livelihood strategies of the people who participated in the study was animated by an overriding focus on participating in the broader economy, investing in their own wellbeing and productive capacity, and retaining or acquiring a measure of economic independence - or at the very least, the ability to engage on some equal footing in the acts of reciprocal exchange on which their wellbeing depended. Within the context of the vulnerability and uncertainty of life at the margins of the formal economy, social grants allowed some people to invest not only in their own wellbeing, but also in that of their dependents and families, and often gave those who would otherwise have been socially marginalised some vital social resources with which to barter. These are important and worthwhile effects, and need to be recognised as such. Social policy on welfare grants should of course be informed among other things, by the need for appropriate targeting and the need to avoid welfare fraud; but the overall terms of welfare policy should not be *in the first place and above all* be dictated by the need to eliminate 'free riders' and 'undeserving recipients'. Rather than minimizing the negative, policy should focus on maximising the *positive*; strengthening the poverty-reducing, economically and socially empowering aspects of the grant system.

8.6.2 Reducing administrative burdens on recipients

The research findings highlighted some of the ways in which administrative functioning and delivery mechanisms imposed costs on poor people. One of the paradoxes of social grant administration is that the costs of the process of demonstrating grant eligibility often makes accessing grants impossible for the very poorest. One key issue is that inefficient administration by an incapacitated local state imposes additional costs precisely on those who are least able to bear them. It is reasonable that officials require documentation from applicants - but if the state fails to provide citizens with correct documentation, it is the recipients who bear the costs. The research process highlighted a number of instances, as well, in which official discretion appeared to be used in ways that imposed unnecessarily onerous conditions on grant applicants. But the problems extend well beyond the details of how officials use their discretion. One example of an important systemic mismatch between the design of the delivery system is in the ways in which grants are linked to provinces. Pension payment systems, for instance, appear to presume a sedentary population. Yet 'coping strategies' and private social protection in post-apartheid migrant networks require, as we have seen, significant mobility; and elderly people often have to commute back and forth from one province to another. If they have to return to their 'home' provinces *simply* in order to collect a pension, the system is imposing strenuous additional costs upon them. The social grant delivery system needs to be designed in a way that takes into account and facilitates the mobility needs of poor people.

8.6.3 Conditional cash transfers

One important issue currently being considered in South African social policy circles is the advisability of making cash transfers - particularly the child care grant - conditional, for example upon school attendance by children. This matter was not at the centre of the present investigation, so no final and conclusive pronouncements can be made. At the same time, the findings do suggest some important grounds for caution.

Firstly, it is not clear whether there is a huge need for using the conditionality of child grants as a incentive to encourage schooling in the first place. The track record of the South African government in combating basic illiteracy, and the relatively high rate of school attendance even in very impoverished former homeland areas suggests that the battle for the idea of universal schooling has in principle been won. There are good economic reasons for this: the kind of agrarian economy in which keeping children out of school makes sense in order to ensure a supply of domestic labour at home and in the field, has long disappeared from South Africa. We have already highlighted the very high premium placed on education of both boy and girl children, and the hope of parents that it would ensure them a foothold in the labour market. The evidence seems to suggest that except in very dire and difficult circumstances, parents prefer to keep their children in school.

Secondly, this has an important corollary. In a context where parents, even though they may be illiterate, have bought into the value of schooling for their children, the failure of children to attend school is likely to be a symptom of much deeper levels of disorganisation, disunity, conflict and social disintegration in the

household. A case in point is that of Nomsa (see page 69) whose son Vusumsi was refusing to attend school. The truancy of her son did not flow from a lack of commitment to his schooling on her part; rather it reflected her relative powerlessness as a single, possibly HIV positive, debilitated and marginalised woman trying to keep a household together with very low resources of additional labour and authority. It is hard to see what withdrawing a child care grant would accomplish in that case, other than to further reduce what little leverage she has.

Finally, as we have already pointed out, some of the case studies have highlighted the extent to which additional bureaucratic requirements can impose unsustainable and disproportionate costs on poor people. It appears that some officials are in practice imposing this conditionality at local level, and the case of Mam Thandi, who lost five working days trying to demonstrate the school attendance of her child, partly because of inefficient officials filling in forms incorrectly, is a case in point (see page 151). Official conditionalities are already effectively acting to discourage the poorest of the poor (who are arguably the most in need of the child grant) from applying for it. Additional requirements could easily simply make this burden worse.

8.6.4 Vouchers versus cash grants

A third set of issues relate to proposals that child care grants, pensions and disability grants could be paid in the form of vouchers rather than in the form of cash. Again, it is not clear what the direct benefits of such proposals would be, other than reducing the risk that recipients could spend money on non-productive or undesirable uses (e.g. tobacco and alcohol). Against this must be balanced the *generally* empowering effects of paying over cash grants as money. Firstly, a large part of the utility of cash transfers in enabling informal economic activity, in allowing investments in property and in productive capacity; and in allowing marginalised people to ‘transact’ in their social networks and accumulating social capital, flowed from the freedom they had in deciding how to spend their money, and to allocate these grants in different ways as their needs changed across time. Paying pensions, DGs or child grants over as vouchers would significantly reduce their utility. Secondly, thought must be had for the broader ‘cash hunger’ that we noted in the household that we studied. In a context where so many crucial necessities - energy, transport, building materials and so on - need to be bought with money, paying social grants over as vouchers may well have a number of unintended side effects. Were vouchers to be exchanged for cash at a discount for instance, the social effectiveness of cash transfers would be significantly reduced.

8.6.5 Unnecessary costs and wasteful grant expenditure

There is, however, one very important kind of ineffective expenditure which government *can* end; and that is the use of social grants to subsidise the effects of other government departments. Large numbers of poor people unquestioningly continue to pay school fees; and there is evidence that they are actively discouraged from seeking relief from such payment. Yet if social grants are used to pay for school fees - or indeed for any other form of cost recovery, this amounts to a direct reduction in the value of the ‘social wage’, and in effect a simple re-circulation of moneys between government department. Ensuring that poor people get the free energy and water they are entitled to, are not required to use pensions to settle municipal debts, and are not forced to pay school fees if they are already struggling to ensure adequate nutrition, should be a key part of an integrated pro-poor policy framework. Again, sensible spatial planning is a key

issue here; distance and the costs of transport impose a massive additional cost on poor people; pensions and other grants are not effectively spent if such a large proportion of household expenditure is simply dedicated to the costs of commuting across the distances created by Apartheid's racialised spatial legacy.

8.6.6 Recognising and supporting care work

The research highlighted the importance and the gendered nature of care work. It suggests that initiatives for using public works as a way of rewarding and remunerating care work is of key importance.

More specifically, the research also highlights the importance of supporting care work within kinship networks. This has vital implications for the future of foster care grants. It is clear that there is a general practice of kin care that goes well beyond the remit of the foster care grant. It also seems that these practices do not only kick in for e.g. AIDS orphans but are part of the more general ways in which kin networks and social capital are used to ameliorate vulnerability.

In general, grants should not be seen as narrow instruments to aid those who are economically incapacitated (which helps to create poverty traps and perverse incentives) but should recognise the ways in which many (including the long term unemployed and the disabled) labour either in the informal economy or in the domestic 'care' economy, creating 'social value'. Social grants should be aimed at empowering these survivalist practices and coping patterns

8.6.7 Gaps in the system

Perhaps the most difficult issue facing social policymakers, however, is the challenge of formulating a more comprehensive social protection system for South Africans. Cash transfers - particularly in the form of pensions and disability grants - clearly play a big role in reducing vulnerability for some of those who cannot generate sufficient income in the formal economy, yet large there are large numbers of people who fall outside the safety net of the current social protection system. As we pointed out on page 30, almost three quarters of adults without paid employment in the 2002 Mount Frere survey, and four out of every five in the Cape Town survey, were also not in receipt of any social grant. The existence of this group poses important challenges to government. Quite aside from the social and human costs represented by this significant sub-grouping of unprotected and economically marginalised households, the lack of social protection specifically directed at their needs is clearly a factor that created 'perverse incentives' and distortions in the welfare system, for example in the rising numbers of disability grants.

8.7 *The social sustainability of poverty in post-Apartheid migrant networks*

Finally, one key point needs to be made of relevance to policymakers. This report has highlighted some key aspects of the 'coping mechanisms' and strategies whereby poor people seek to manage the impact of uncertainty, vulnerability and their economic marginality in South African society. Our stories suggest that these strategies often make the difference between survival and destitution. Without the practices of reciprocal exchange we have described here, and the spatially extended social networks within which they are pursued, many of the people we have described here would much worse off.

Yet, this should not give rise to undue optimism. In the first place, as we have stressed repeatedly, these ‘coping mechanisms’ and strategic responses often carry a cost. Ultimately many of these strategies are about sharing and distributing burdens and costs as well as resources; they are about poor people supporting those even worse off than they... or passing on shocks to them. Moreover, these shocks and burdens are often unequally distributed, with those with the least social resources of power often bearing the brunt.

In addition, our research must raise questions about the long term sustainability of the arrangements and situations we have described. In large part, what our report shows is how people in migrant networks deal with the costs and risks of integration into a cash hungry, uncertain economy by passing on many of those costs and sharing the risks with rural, often elderly kin. To a large extent these networks appear to be kept going through three key things: firstly the massive investment of unpaid care work by women participating in spatially extensive care chains. Secondly, by the important supplementary role of a faltering rural agrarian economy, which somewhat loosens the grip of cash hungriness on rural households. And thirdly, by what resources have been accumulated in the past by rural households through their members’ employment, often in the form of fixed-size retrenchment packages. None of these resources are inexhaustible. As HIV and AIDS undermine the labouring and caring capacity of rural households, some of the key mainstays of this fragile web are likely to start fraying - the ability of these coping mechanisms to mitigate vulnerability and poverty will fade.

8.8 Conclusion

In this report we have investigated in some detail the ways in which one particular group of economically marginalised South Africans – people living in post-Apartheid migrant networks in one urban township and in one rural area – respond to the conditions which face them, and on the dynamics of vulnerability and poverty in this context. To the extent that many of South Africa’s poor exist in similar migrant networks and systems elsewhere in the country, this particular set of case studies cast light beyond its immediate locality. The ways in which cash transfers support and feed into existing coping mechanisms and survival strategies are likely to be very similar in other areas.

At the same time, important further questions remain. Above all, it is important to bear in mind that what has been explored in this report are stories and case studies from within one particular set of ‘livelihood ecologies’ or local political economies: relatively recent urban migrants in a young, spatially self-contained African township on the outskirts of Cape Town’s service and finance-based economy; and rural residents in one particular Eastern Cape District. We need to know more about the social and economic dimensions of vulnerability and marginality in other contexts where migrant networks are differently configured or even absent. What, for example, are the implications for vulnerability and poverty of places – Phuthaditjaba in the Eastern Free State is an example – where people are less able to migrate to urban areas in the first place? What happens to the social logic of ‘social capital’ in areas that have been urbanised for longer, where links with the rural areas are weaker, and where the codes of conservative rural culture hold less sway? What happens to household structure, social networks and reciprocal practices, for that matter, in places such as Cape Town’s coloured suburbs, where poor people are not able to draw on the cultural and rural hinterlands that sustain African migrant networks in the first place?

Finally, we need to know much more about the difficulties faced by particular groupings. Quite obviously, understanding the needs of the groupings we have identified here as particularly isolated or marginalised within their social networks is a key priority. Female headed households and skip-generation households are a well-known case in point. But the dynamics and social processes that lead to their marginalisation need to be better understood. At the core of many of the key issues that relate to power relations within and between households is the way in which gender relations are being reconfigured in South African society. The economic arrangements that allowed a certain kind of patriarchally structured household are coming to an end; and gender roles are being reconstituted in African households. Clearly women are net losers in many of these arrangements; but the massive failure, for instance, of fathers to play a role in the maintenance and care of their children is also part of the broader crisis of masculinity in South African society. While men are able to avoid taking on the burdens of household reproduction and care work; that avoidance also comes at the cost of a degree of social disempowerment. As Leslie Bank has pointed out, men who are not able to constitute themselves as breadwinners end up 'socially excluded' in important ways. If the massively disruptive effects of the failure of the economy to create sustainable employment for a large proportion of the population are to be contained, and if those marginalised within the formal economy are to be able to find pathways out of poverty, that will only be possible if poor people are able to constitute co-operative households in which paid work, care work and household reproductive labour can be balanced and negotiated. We do not know enough about how new South African masculinities fit in this picture. Here, the relative invisibility of men – particularly young men – is a key lack in the present study. To some extent the focus on child care grants and pension use meant that the study purposively selected households in which women played a key role. Much more needs to be done to understand the challenges faced by men; and particularly by those who are unschooled, unskilled, unemployed and unable to find a place for themselves within the circuits and networks of private social protection and reciprocal exchange that makes survivable possible, for now, for many of South Africa's poor people.

9 References

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Appendices

Overview of cases

No. Mf	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Mf 001	Siyanda Mpandomise	Married couple & 5 children	1 son lives with aunt in Jhb, 2 children (include disabled girl) live with aunt in Mt Frere.	R 400 mine pension	2 DG, 1 CSG	Subsisting off mine pension & social grants. Kids studying in urban centres. Organised hh with agricultural activity. Comfortable homestead.
Mf 013	Mamzoli F..	Elderly woman with 3 grandchildren. Separate hh: daughter in law & grandchildren adjacent.	Look after 3 grandchildren. Older 2 boys help her with tavern & planting.	R500 meat retail, R600 beer retail, R400 regular remittance & other irregular remittances	1OAP, 1 CSG	A strong matriarch, augments income with meat & beer retail from gas powered freezer. Good, supportive family network. Comfortable homestead.
Mf 020	Kwanele Ngubane	Married couple, 5 children, 1 grandchild at homestead, 4 children away (most studying) & 2 adult brothers	Looking after children & grandchild. Large remittances to 3 studying children. Support to drunk & mentally ill adult brothers	Retrenched from good formal job (R12K/month). Living off package. Selling spinach R30.	1 CSG	Very dignified and respectable patriarch. Subsisting off retrenchment package, but got agricultural ambitions. Big comfortable homestead. Kids studying in urban areas. 13 dependents including adult brothers.

No. Mf	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Mf 028	Thembela Mhlaba	Married couple, 2 adult children & 4 grandchildren	Looking after children including child of deceased daughter	Headman stipend R1700	1 CSG	Traditional leader but drunk and ineffective. Small, poor homestead. Confused and confusing household. Son builds, maybe.
Mf 050	Chuma Mfako	Adult woman & 3 young children	Looking after children	Ad hoc, informal work in village (mud bricks & plastering)	1 CSG	Isolated woman with 3 kids. Relies on longstanding female family friends. Abandoned by kin. Modest home. Generally evasive & impassive.
Mf 058	Bongiwe S.	Young man and his two teenage siblings. Mother left house after dispute with the father.	Distracted 25 year old looking after 2 teenage siblings. Paid caregiver has left.	Receive monthly remittance from father in Jhb who is formally employed.	No grants	Feuding parents marriage failed. Three kids left in home, receive regular R500 remittance from father in formal sector, but the are vulnerable (health and criminal victimisation problems).
Mf 061	Nolinda Mashiya	3 adult women & 1 child (4 generational family)	Grandmother looks after grandchild and great grandmother.	Occasional remittance R150. Daughter struggles to retain urban domestic worker jobs.	1 OAP. 1 CSG stopped.	Four generations of women (80 yrs to 11 yrs). Cash poor but good quality care. Respectable and dignified people in village. Modest homestead.
Mf 072	Bulelani Radebe	Married couple, 2 adult children, 1 daughter in law & 6 grandchildren. Extended family (children) in CT and Jhb.	Grandchildren cared for, including son of HIV + mother living in CT. Sons of an adult daughters looked after by paternal grandmother in NW province.	Remittances for adult, urban children R600. Living off 1996 retrenchment package (R105K). Adult daughter sells clothes (R300), son works in agricultural labour.	3 CSG.	Large extended family with many children. Patriarch received a retrenchment package (1996), but it is almost exhausted. Grown children send remittances. Daughter in village resells clothes. Son works in agriculture.

No. Mf	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Mf 327	Lamla N.	Adult woman, 3 children & 2 grandchildren	Daughter went to Jhb to look for job, mother looked after grandchild.	Informal economic activities in village: mud bricks, laundry & agricultural work. Unclear	1 DG, 2 CSG	Widow, worked in urban areas after death of husband in mid 1980s. Does lots of informal work in village. Grandchildren = potential care burdens that prevent her earn income.
Mf 339	Mbali J.	Adult woman, daughter in law, son & grandchild	Looks after grandchild.	Informal economic activities in village: mud bricks, thatch grass harvesting & agricultural work (R200)	1 DG, 1 CSG	Single woman works hard at village jobs. Husband died young, and then paired off ('ngena') with brother in law = 3 more kids. Traditional, modest homestead
Mf 340	Nofundiso M.	Adult woman, son, daughter in law & 3 grandchildren. Extended household: husband working in Jhb.	Looks after grandchild	Household head has formal job in Jhb. Large amount of agricultural production.	1 DG, 2 CSG	Relatively affluent looking. Signs of considerable agricultural production & big homestead. Husband formal job ('lab assistant') in Jhb. Son works in agriculture at homestead. Evasive respondents.
Mf 349	Thembelani T.	Married couple, brother, son, nephew & 2 grandchildren	Look after grandchildren, nephew and blind brother	Retired from municipal job. R700 pension.	2 DG	Respectable patriarch, worked at Jhb municipality, received pension. Son ran away in Jhb. Thembelani died during research.
Mf 370	Monica N.	Adult woman, son & grandchild. Extended family: children in village and urban areas.	Look after grandchild.	R300 community road repair project, R180 sangoma consultations.	1 DG	Dynamic: works on community road project and as sangoma. Was supported by daughter and son in law before she got DG. Daughter now connected to councillor.

No. Mf	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Mf 385	Nofundo M.	3 teenagers. Overseen by great aunt.	2 grant receiving teens feed 18 year old grant-ineligible brother.	Absolutely none.	2 Foster care grants	3 teenage AIDS orphans. Split up on death of mother but then reconstituted household. Also supporting older brother on grant. Only one small mud hut. Okay, but for how long?
Mf 390	Moses M.	Married couple, 2 children. Extended household: 2 married daughters.	Look after their children. Father disabled and struggles to work.	Village piece jobs (Mud bricks, fetching wood) maybe R200 - R300	2 CSG	Respectable people, with very modest homestead. She works in village jobs (mud bricks, wood fetching). He was injured on mines years ago.
Mf 393	Nobuhle M.	Retired married couple, daughter in law, 5 grandchildren.	Grandchildren reabsorbed into her daughter's house. Grandchildren cared for there.	Former municipal employment. Spent package.	2 DG, 4 CSG.	Respondent (great grandmother) died, grandchildren absorbed her daughters (their grandmother's) house. Socially respectable, acquired assets with husbands' work package. Comfortable home.
Mf 567	Nokhanyo S.	Elderly woman, 4 children & 1 grandchild	Look after relative's children, none of her own.	Living on husbands package, app. R1000/month, but running out.	1 DG	Husband in formal employ died. Widow got package. Looking after lots of relative's children. Package almost finished.
Mf 569	Grace P.	Adult woman, adult nephew, 1 child & 7 grandchildren	Looks after sister in laws children and supervised building of her house in village. Looks after mentally ill nephew.	Small intermittent remittances & R200-R250 school feeding scheme work. Also makes bricks & fetch wood. (Maybe R500)	1 DG, 4 CSG	Complex care arrangements, including of grandchildren (parents deceased). Respondent busy with lots of village jobs. Worries she will be suspected of welfare grant fraud for all the (legitimate) CSGs.

No. Mf	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Mf 583	Zwelidumile M.	Adult woman, 5 children & 2 grandchildren	Looks after children.	R800 maintenance from husband.	1 CSG	Marriage ended, criminal victimisation and violence by husband. Livestock lost / stolen. Live off maintenance.
Mf 588	Zamani M.	Elderly married couple, 2 children & 3 grandchildren	Look after grandchildren & epileptic daughter.	Former municipal employment. Spent package. Occasional remittance from daughter who is nurse.	2 OAP, 1 CSG	Former municipal retiree. Married three times. Spent pension package, live on remittance and social grant. Good quality kraal & does a bit of hunting. Comfortable.
Mf 607	Nokuthula M.	Elderly woman, daughter in law, child & 3 grandchildren. Effectively 2 households.	Look after children	R400 remittance from working son & informal work (mud bricks, wood, mat making). R210 creche work wage.	3 CSG	Complicated 2 part household. Large well-furnished compound, village jobs and regular remittances. Unclear extent to which income is pooled. Potentially conflict between the 2 households. Contradictory information.
Mf 619	Abongile M.	Married couple, 4 children & 1 granddaughter	Look after children. Hire domestic & herdboys. Help villagers with forms.	At very least R12 000. Two teachers.	No grants	Two senior teachers. Prosperous & lots of agricultural production. Children urban schooling. Village elite.
Mf 627	Nomalanga C.	Married couple. 2 children & 3 grandchildren. Other children working in cities.	Daughters receive grant, retains part and gives balance to mother for grandchild. Remit money to schooling daughters.	Brick making & plastering R100. Herding R300. (Maybe R400)	4 CSG	Household head drunk and beaten up. Disorganised respondents with malnourished grandchild. Some CSG retained by mother and rest paid over, R300 of R540 CSG remitted to/for schooling daughters

No. Mf	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Mf 636	Kholisawa C.	Elderly woman, 'helper' and 2 grandchildren	Helper looks after her & grandchildren. Looked after ailing, daughter in law (now dead).	R700 - R800 remittance from security guard son in Jhb	OAP. CSG stopped.	Respectable single woman with dutiful son who sends regular remittance from Jhb. Struggled to get site in village to build house, as a single woman. Daughter in law died.

Khayelitsha households

No.	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Ky 006	Nomsa B	Adult woman, 2 sons	Looks after children	Seasonal farm work, informal smilies & walkaways R70 per week (R300/month)	2 CSG (R180)	Respondent dissolute & disorganised. Dirty house and truant children. Bit of informal food selling. Marginalised.
Ky 022	Michael M.	Married couple & sister. 2 young sons and nephew	Hh head's sister & child joined house. She provides childcare.	Petrol pump attendant R1300 - R1400/month & wife domestic worker salary. (Maybe R1800)	None	Formal employment interregnum in 2002, but now 2 formal jobs. Resourceful and industrious respondent. Hh hold includes pregnant sister and her child. .
Ky 023	Stemi S.	Old married couple, 2 daughters & granddaughter	Look after granddaughter, son in law looks after EC cattle, extended family looks after other kids	He was formerly clerk, disabled with back injury. Wife R1000 monthly domestic worker. Daughter works formal job and gives them money.	No DG or CSG	Former formal employment ended. Receives no grant, supported by daughter who works for SANDF. They look after grandchild.

No.	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Ky 033	Magadla M.	Adult woman, 1 niece, 1 granddaughter, 2 other children	Elaborate multi-generational care chain	R 1200 domestic woker	DG, 1 CSG	Complex kinship links & support. Looking after grandchild & saving DG for ezila ceremony for daughter.
Ky 046	Dickson K.	Married couple, 2 adult children & 2 minor child	Widower. New spouse cares for stepchildren & tavern.	R3000 formal sector job, R645 transporting colleagues, R2000 shebeen profit (<R5000/month)	1 CSG	Formal job & own bakkie. Run tavern. New wife looks after kids and & tavern. Organised household. .
Ky 052	Lungile K.	2 adult males & their 2 wives. 2 adult children & 4 grandchildren	Child care for cash & caring for unrelated infant.	R400 irregular, informal plastering job. R200 child care (R400/month)	1 CSG	Very squalid small two room shack, crowded with 2 two families. Squashed. Bit of informal work, bit of beer brewing. Confusing interview.
Ky 068	Khumbuza M.	Married couple & 4 adult children.	None in household	Fruit & veg R300. Formal job in restaurant. Church donations.	DG stopped.	Self report very poor, but respectable & supported by church congregation (rent, phone, groceries etc). Regular travel to EC
Ky 071	Nomakhazi S.	2 adult males (half brothers)	2 ex-partners & four children all in EC. Not sending remittances to them.	R1200 UIF payments (but ending), casual construction work (R500 - R1600). R470 selling paraffin or beer. (R1100 - R2000/ month).	None	Two brothers. Former formal employment, but now rely on informal trading. Children & ex-partners in EC. Organised household. Genial but rather inscrutable male respondents.

No.	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Ky 089	Lulama D.	2 sister, each has a boy. Also partially separate hh consisting of brother & his girlfriend.	Child care by unemployed sister	1 sister earns R860 - R1300/month. Separately: Brother: R1500/month.	2 CSG (R360)	2 households inhabiting one shack. Initially signs of conflict but appears resolved. Some formal employment. Quite isolated & out of kinship networks.
Ky 098	Mbada M.	Married couple, 3 children & infant	Child care	Formal construction job R1720 month	Lost CSG	Self report poor but formal sector job. Focus, social connections & substantial back investment to EC.
Ky 101	Thulani G.	Adult male, brother & niece	Hh head's wife & child in EC.	Lost good, formal sector retail job. Relying on family.	No	In transition. Lost good formal job. Wife & kid in EC. Big priority: retain household assets against loss to creditors & find job.
Ky 107	Babalwa G.	Adult woman, her 3 children & 2 grandchildren	Looks after grandchildren	Retired matriarch. Son gardener contributes (R200-R250), daughter domestic worker contributes too.	1 OAP, 1 CSG	Former domestic worker who made good, building houses (both C.T & E.C) and tertiary educated kids. Got package on retirement. Dignified & prosperous looking.
Ky 111	Patience M.	Adult woman & 3 teenage children	Not in family, kids are grown up.	R 900 overseeing TB treatment, several community projects at her house. Donations in kind.	No grants	Former entrepreneur, now community development dynamo. Articulate, busy, resourceful & very respectable
Ky 156	Lukanyo B.	Married couple, 3 young daughters	Three young children	Was earning R1200 to R1600 monthly at printing company contact expired.	Lost 2 CSG	Nuclear family with kids. Lost CSGs (salary was too high) & then lost formal sector job. Stuck in between. Transition phase.

No.	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Ky 157	Phumzile N.	Adult woman with son & grandchild	No young / elderly	Manufacture and retail of dresses R900 - R1600/month	No grants	Unconcerned about waning formal employment. Makes dresses and sends them to wife in EC for sale. Organised.
Ky 158	Ncebakazi M.	1 elderly woman & 2 grown children	Unclear	Possible remittances.	Probably OAP	Comfortable RDP home, pension & working kids support her. Evasive & suspicious. Interview brief.
Ky 159	Zwelidumile M.	Married couple, daughter, grandchild & 2 stepsons	Look after grandchild and disabled adult stepson.	Fruit and veg stall R250-R300/monthly.	1 OAP, 1 DG, 1 CSG (R1760)	Getting social grants but marginalised and ineffectual. Half built RDP style house. Some informal activity & care burdens.
Ky 161	Thado V.	Old married couple, 2 children and 2 grandchildren	Looking after grandchild	Formerly worked for construction company, incapacitated & medically boarded. No economic activity.	1 DG, 1 CSG	Formerly formal employment, spent R100K package on 'doctors' (biomed & traditional), now living on grants.
Ky 163	Ester P.	Old woman, disabled adult son, 2 grandchildren	Son severely mentally disabled. Paying for grandchildren in tertiary education.	Formerly worked as 'tea lady', receives app. R780 pension & bit of sangoma work. Maybe R900	1 OAP, 1 DG (R1560)	Confident, successful retired domestic worker & 'tea lady' receives OAP & private pension. Son DG. Paying for grandchildren's tertiary education.
Ky 164	Nosikhumbuza Ntlazane	Adult woman, 3 daughters & 2 grandchildren	Looking after grandchild	Beauty earns a salary perhaps R500 & daughters R 380	1 CSG	Loss of husband's salary with his death. Daughter free riding. Unruly kids. Mother seems a bit beleaguered.
Ky 161	Neliswa L.	Adult woman & 2 daughters	Unclear	No reported income.	No grants	RDP house. Supported by family. Vague & evasive.

No.	Household head (anon. name)	Household structure	Household care work	Economic activities (income per month excluding social grants)	Grants received	Comments
Ky 169	Thembelihle M.	Adult couple, 3 children	Some childcare required.	Security guard for municipality. Unknown amount. Comfortable.	No grants	Comfortable RDP house and own vehicle. Long history of formal employment. Seem organised.
Ky 170	Xhanti M.	Married couple & 5 teenage children	2 children joined hh from EC. Slightly disabled child.	Contractor: normally up to R3600 per month & R700 domestic worker. (R700 - R4300).	No grants	Nuclear family, last 2 children recently came from EC. Has good formal job (plastering subcontractor). Temporarily out of job, but unconcerned.
Ky 185	Gxalathane M.	Adult woman & teenage daughter	Do childcare for cash	R 600 from spaza shop, about R250 childcare. (R850/monthly)	1 CSG	Out of kinship links, but resourceful & respectable woman. Tidy little spaza shop.
Ky 310	John R.	Married couple & 4 children	Some child care	Temporary employment (R300/month)	No grants	RDP house. Have some temporary employment.

Involvement in informal activities

Household	Economic activities
Ky 006	The household head is part of a group of three women who cook smilies (sheep's heads), and walkaways (chicken feet) in their front yard. Her eight year old son, who is often absent from school, sells peanuts to other children. He gives the money to his mother and she keeps it for him. Another son, who has left the home, works in a shop in a village in the Eastern Cape. He is not paid for this but receives groceries for his efforts
Ky 022	The male household head works in a petrol station in Killarney. His wife sells cigarettes (and apparently nothing else) from her house. She gives the money to her son so that they can buy food for school
Ky 023	The household head is unemployed. His wife works as a domestic worker. His brother in law, who lives in a backyard shack and shares some resources with them, sells sweets on the trains.
Ky 033	The female household head used to have a fruit and veg business, which she has given up temporarily so as to be able to care for her sister's daughter's child.
Ky 046	Household head has formal employment in with a company that installs kitchen cupboards. Also runs a tavern, owns a bakkie which is used to earn money transporting colleagues to work.
Ky 052	A confusing household (two households living in one shack). One member works on a regular basis as a contract plasterer. Some of the women look after children at R200 a month and also brew beer.
Ky 068	The informants deny involvement in any informal activity. The household head, though, is the 'President' of a Zionist church; congregation members supply them with food and airtime and pay rent.
Ky 071	The household is made up of two middle aged 'half brothers' who used to work at a timber company until 2003. One brother does casual work in the construction industry; the other brother runs a small shebeen and sells paraffin and cigarettes. He would not return to the timber company if they offered him a job again.
Ky 089	Breadwinner works in a 'factory' in Maitland, making cardboard boxes for jewellery firms at about 7 c a box. They used to sell ice lollies in the summer for some money. Their brother, who now lives in another shack on the same property, and who shares some food with them from time to time, works in a plastic recycling factory; but survived for a period in the previous year 'running scrap' in Kraaifontein.

Household	Economic activities
Ky 098	The male household head works for a company that installs swimming pools. His wife reports no other informal activities; she also says she has no friends in Khayelitsha and has rarely been outside Site B.
Ky 101	Both adults in this household had formal sector jobs in the retail sector. Before that, the male household head worked for a long time in a spaza owned by a woman who owned a number of spazas. The woman gave up her work to care for their child when it was born; shortly after that the man lost his work. The woman has returned to the Eastern Cape to look after relatives. At the time of the interview he was not involved in formal sector work, but was looking for a job in the formal sector.
Ky 107	Retired domestic worker living off a pension and remittances from family members. One of the members works full-time as a gardener.
Ky 111	Household head has a long history of involvement in informal sector work, including owning two taxis and running a shebeen. She has lost all this and currently works in the development industry. Earns about R900 a month overseeing DOTS, but is also at the centre of a number of interlocking community projects, including a soup kitchen, from which she receives in kind contributions
Ky 156	Household head worked his way up from being a petrol pump attendant to his recently lost job in the printing company. At the time of research were receiving no income - head was looking for work, and his partner was in the last stages of completing her qualification as a nurse. In the past, they have sold chicken pieces from their house, and bought and slaughtered two cows (commercially).
Ky 157	The household head is employed in a plastics firm. At the same time he is running a traditional dressmaking business, buying material locally and making the dresses here, and then sending them to his wife in the Eastern Cape to sell.
Ky 159	One of the sons gets periodic work 'standing on the side of the road' in the construction industry. The family's main economic activity is running a fruit and veg business which operates from a stall on the corner of two prominent thoroughfares.
Ky 161	This household is supported mainly through the activities of Mrs V, who works as a domestic worker. Her husband is incapacitated and does not work and they have a severely disabled daughter. Two other daughters have been sent to the Eastern Cape and support themselves through selling fruit and vegetables
Ky 163	Retired domestic worker living on a pension. Makes some money being a traditional healer.
Ky 164	The female household head survived for a long time making and selling clothes on the street. Shortly before the time of the research project, she found work in a clothing factory in Mowbray. Her daughter works for a foreigner who sells cellphone chargers, belts and cheap sunglasses from a pavement stall in Claremont.
Ky 166	The female household head has lived in Khayelitsha for almost 20 years, and has never had a formal job. She makes a living selling 'smilies'.
Ky 169	The male household head works as a security guard for the Cape Town Municipality. They deny any informal economic activity.
Ky 170	
Ky 185	The female household head runs a small spaza, selling sweets, cooldrinks and biscuits. She also does laundry for neighbours and looks after at least two children; for the one she is paid R300 per month; in the case of the other there is no rigorous arrangement of payment, but she is given 'something' (food or some money) at the end of the month.

Household	Economic activities
Ky 310	The male head of this household sometimes works with his brother who has a tiling business. He used to have a fruit and veg business but this collapsed when his wife left him
MF 001	rely on subsistence agriculture and various social grants plus a small mine pension
MF 013	The female head of this household sells meat and beer for a living.
Mf 020	The head of this household worked for Iscor until he was retrenched, working his way up to the rank of process controller. He is heavily involved in agricultural activities, and sells some of his produce to other villagers.
MF 028	The head of this household is the local headman. His sons have an informal local building business: they charge R3000 per house and share some of the money with their parents.
Mf 050	The single female household head survives on the single child support grant, and by making mud bricks and plastering houses. She used to work at a local spaza until she became pregnant. She also helps out with local ceremonies, doing menial household work; it is not clear whether she is paid for this. Her brother who works in Cape Town reportedly has a taxi business; he sometimes sends money.
MF 058	This household runs a shebeen in the village. In addition, they are supported through a disability grant, a child support grant, and the female household head [check] also makes mud bricks.
MF 061	The Mashiya's. [David, help me here - they are NOT involved in informal economic activity at present?]
MF 072	The household lives in part on the retrenchment package obtained from ISCOR by the household head after more than 30 years of service. The male household head sometimes fixes fences for a sum of R300 to R600 but this work is infrequent. Their daughter Noluthan sells clothes, buying them wholesale in Durban and selling them, often on credit, to villagers. Their son Linda, does 'piece jobs' on somebody else's planting field
MF 327	. Economic activities include making mud bricks, washing laundry and hoeing other people's fields for a daily rate. She also worked for Mvula trust in village, a job she got through the ward committee member. Clearly able to access some social capital
MF 339	This household receives a DG and shares an OAP that they get from the brother of the female household head's deceased husband (she has been 'paired off') with the brother in accordance with local custom. This income is supplemented by piece jobs such as grass harvesting, for which they get R200 a month, and mud brick making. She sometimes secures the services of men to help her by brewing or buying beer.
MF 344	The (very reticent) female head of this household survives mostly on remittances received from her husband, who works at a lab assistant or at a chemist in Johannesburg. The household is extensively involved in agricultural activities and fences are well maintained. The informant denied any informal economic activities.
MF 349	The main form of income of this household was two disability grants. No informal economic activity was reported.
MF 370	Female household head relies on a disability grant - and on income participating in public works maintenance. She also earns some money on the side as a sangoma
MF 385	This is a household composed of three orphaned children. They are supported, inter alia, by their grandmother, who sells alcohol from

Household	Economic activities
	their home
MF 390	The male household head is unemployed after losing his job on the mines. He does piece jobs in support of his wife, who makes mud bricks. She also collects wood from a stand of trees down the hill, for which she gets R15 per bundle, and plasters the exteriors of people's rondavels. She makes traditional dresses and aprons etc. They also get some support from their daughter, who lives in a nearby village; the daughter's husband cannot work because of burn wounds; they weave and sell grass placemats for a living.
Mf 393	Household lives on two disability grants and a child support grant. They are significantly involved in agricultural activity. No other informal activities are reported
Mf 567	The household head is a widow living off her deceased husband's provident fund payment. She grows mielies and makes mudbricks to supplement her income.
Mf 569	The household lives on the pension of its senior female member and the disability grant of her brother. They make mud-bricks to supplement their income.
Mf 583	Relies on CSG and remittances from family.
Mf 588	Household subsisting on OAPs and CSG and some involvement in agriculture.
MF 607	The household is headed by a woman whose husband does piece work in Secunda but who does not remit money. She makes mats and sells them (the big plain sitting mats are R50; the small detailed ones are R10). She sells them around the village. Beforehand she used to collect wood and make mud bricks but she is now too ill (with arthritis and asthma). Her daughter in law lives in the compound and works with another woman a pre-school as a 'volunteer'. They look after 21 children for a monthly fee of R10 per child: however not all the parents pay this.
Mf 619	Household relying on two formal sector jobs (principal and deputy principal) and extensive involvement in agriculture.
MF 627	Very poor household, unclear precisely how they survive. Household survives on CSGs, brickmaking and plastering, as well as some herding of other people's cattle.
Mf 636	The female head of this household survives on her pension and the remittances sent by her son. She also makes reed mats for during traditional ceremonies; she sells these from R50 to R70

Reliance on grants

Household	Reliance on grants	Notes
Ky 006	Two CSGs	Survive on CSG and income from informal economic activities. One of her children is in eastern cape in care of parents who receive pension
Ky 022	Three CSGs	For the duration of 2003 they reportedly survived off the child support grant - his wife's domestic worker job only started in 2004.
Ky 023	No grants. Had a DG, which lapsed.	NA
Ky 033	One DG	Saving R400 a month toward daughter's izila ceremony, R200 groceries supplementing niece's domestic worker salary; sponsors educational travel for granddaughter
Ky 046	One CSG	Well-off household living on formal sector work and tavern. No specific information on CSG usage.
Ky 052	One CSG	A very poor household. Survive off CSGs small amounts of income earned from childcare. Some of the children are in the Ciskei (Wittlesea) with two boys surviving on the grandmother's pension.
Ky 068	No grants. Had a DG; was terminated	Poor household surviving off formal sector employment of one son, informal activities and income (mostly in kind) from religious activities. DG was ended in November; as a result of this HH decided to come back to the Western Cape.
Ky 071	No grants (no one eligible). Relatives in Eastern Cape have pension.	Child is living with its grandmother in the Eastern Cape; she has no land and no livestock and is living off her pension.
Ky 089	Two CSGs. Relative in Eastern Cape has pension.	One of the children being taken of in East London by its grandmother, who survives on domestic work and pension. Mother still collecting CSG in Western Cape. They spend their own CSGs on food and on clothes accounts for selves and remaining child.
Ky 098	Used to get a CSG but it was terminated.	Grant lapsed and mother has not reapplied because she says the process is too onerous She says she needs the money - she can see there is a gap. The gap is evident when she sees the children don't have socks or underclothes. The money that her husband makes is just enough for them to eat from. H
Ky 101	No grant	
Ky 107	CSG and probably an OAP (not confirmed)	Female household head survives on remittances and probably OAP. Provides some funds ('pocket money') to her son who is studying
Ky 111	No grant reported (none eligible)	NA

Household	Reliance on grants	Notes
Ky 156	No grant - forfeited because of means test	Lost grant because social workers saw wage slip. Then lost job. Too onerous to reapply.
Ky 157	No grants - no one eligible	NA
Ky 158	OAP	Non-disclosing household. Live on OAP and (murky) other sources of income. OAP reportedly helped with building of house.
Ky 159	CSG, DG and OAP	Survive on OAP, DG and income from informal economic activity. Very impoverished household in very poor accommodation.
Ky 161	DG, CSG. Had a second DG but it lapsed	Surviving on grants and income from one domestic work salary. HH (epileptic) re-applying for DG.
Ky 163	OAP and DG	Retired domestic worker. Mentally disabled son requires constant care. She pays for her grandchildren to study at college & a plumbing course
Ky 164	CSG. Gogo in Eastern Cape had DG, lost it. Now has OAP.	Daughter of female HH survives on parental wage income and own informal sector earnings. CSG goes for crèche, child's clothes and sometimes groceries. In the past, HH's daughter stayed & schooled with grandmother in Eastern Cape, relying on DG.
Ky 166	CSG. Brother in Eastern Cape depends on a DG	Impoverished household female headed household surviving on informal economic activity. CSG pays for expenses related to child's schooling. Brother lives in Eastern Cape since getting stroke - getting DG allows him to stay in Cofimvaba and care for family homestead.
Ky 169	No grants (no-one eligible)	NA
Ky 170	No grants (no-one eligible)	NA
Ky 185	No grant (lost a CSG)	Impoverished female headed household surviving on informal economic activity. Going through onerous re-application process during course of fieldwork visits.
Ky 310	No grants (no-one eligible)	NA
MF 001	Two DGs and a CSG	Comfortable household surviving off OAPs, DG, agricultural activity. Income facilitates involvement in agriculture (e.g. paying for ploughing of field). Send money to child in Johannesburg.
MF 013	CSG and OAP	Female headed household surviving on remittances, OAP and income from informal activity. OAP supports business; receipt allowed her to scale down her economic activities and relieved pressure on son's remittances, allowing him to invest in other people's education.
Mf 020	No grants (no-one eligible)	NA
MF 028	CSG (a number of children in the household are eligible but not taken up)	A disorganised and confusing household. Homestead is ramshackle and badly maintained in spite of fact that HH is village headman with stipend.

Household	Reliance on grants	Notes
Mf 050	CSG. Lost OAP when parent died	Impoverished and marginalised household. Report that they were in a much better position when they were receiving an old age pension
MF 061	OAP. Had a CSG but lapsed due to lack of documentation	Live off remittances, OAP and income from informal economic activities. OAP pays for private medical care for recipient; also for a lay-bye of building materials.
MF 072	Two CSGs	Living off retrenchment package, CSG, urban remittances and occasional rural piecework.
MF 327	Two CSGs	Female headed household surviving off wide portfolio of informal activities and mobilisation of social capital. CSG spent on groceries, and clothes for the children
MF 339	One DG, One CSG	HH severely arthritic, survives off grant, remittances and informal economic activity. Has to pay portion of DG as bribe to doctor
MF 344	Two CSGs and one DG	Use unclear - household non-disclosing. Household prosperous, survives on (probably significant) urban remittance, social grants and apparently extensive agricultural activities.
MF 349	2 DGs	Household head retired and disabled after lengthy spell of urban employment. Household cares for children and disabled relative.
MF 370	DG	Survives off DG and informal economic activities. Before DG started, depended heavily on remittances from relatives, who paid for her to see a doctor. Once she got the grant Ntombikayise and her husband stopped sending her money. Takes care of grandchild.
MF 385	Two foster care grants	Survive off FCGs, help from relatives. Grandmother was buying them clothes out of her old age pension. From FCG they pay for groceries funeral insurance, school fees and shoes. Recipients share food with (non eligible) eldest.
MF 390	CSG; expecting a pension	Impoverished household; HH head sickly and disabled but receive neither a DG nor an OAP. Survive off CSG and informal economic activities. With pension they are going to buy food and are hoping to improve the house.
Mf 393	Four CSGs and two DGs	Household surviving off retrenchment 'package,' agricultural activity, remittances and grants. Mother of informant (now dead) received an OAP. Before she received it, they used to support her with groceries and by paying her funeral policy. Once she obtained a pension she was able to help them bridge shortfalls before her husband sent his monthly remittance. After her death household reabsorbed into daughter's. Grants pay for groceries, including for one child not receiving grant.
Mf 567	DG - several CSGs not taken up	An impoverished household taking care of several relatives' children, one of which has been abandoned by his mother. Survive off DG and remains of package.

Household	Reliance on grants	Notes
Mf 569	Four CSGs and a DG... entitled to more but does not apply because fears being suspected of fraud	Survive off the grants. HHH looks after a number of children and a disabled relative and secures grants on their behalf.
Mf 583	CSG	A household disorganised by the acrimonious and violent break up of a marriage. CSG used to buy food for child.
Mf 588	Two OAPs. Eligible for DG (epilepsy) and CSG - but neither taken up	Survive on OAPs and agricultural activity. Take care of child not in receipt of CSG.
MF 607	Three CSGs	Comfortable homestead apparently at odds with low reported income. Survives on remittances, agricultural activity and CSGs. Children well cared for. Evasive on financial matters (possible internal conflict)
Mf 619	No grants (ineligible)	Wealthy household (principal and deputy principal). Informant says she does not help her own family beyond paying traditional ceremonies, i.e. she does not help with day to day expenses such as groceries. She explains that her mother gets an old age pension which takes care of these expenses.
MF 627	2.5 CSGs (get R100 of CSG from non resident daughter)	Non-resident daughter apparently used to make mud bricks and plaster houses but does not do so any more; informant speculates this might be because she is 'tired' and living off the child support grants. Household lives off 2 child support grants plus R100 passed on by non-resident daughter; of this some R300 is passed onto the two grade 11 daughters to enable their education.
Mf 636	OAP	Survives off remittances, informal economic activity and OAPs. Some of this money goes to employ people to hoe in the fields

Child Care Arrangements

	Khayelitsha
Ky 006	Two children from a previous marriage live with the female household head's mother. The household head receives no maintenance from the father of the children. Her oldest son is 'running wild' and plans are being made to send him to the Eastern Cape as well. She relies on the help of neighbours to care for her child when she has to go to town. She also sometimes receives 'charity' care from a friend who runs a crèche for children with HIV or with HIV+ parents.
Ky 071 Ky 073	Two children live at the eldest daughter's house in middle class Mandalay. Two more children stay with an uncle in the Eastern Cape. One child is being cared for at the house; when the male household head is looking for work, the child is looked after by his brother-in-law's girlfriend who has a shack in their backyard.
Ky 089	Two sisters live in this house. One has sent her child to the Eastern Cape to be taken care of by her mother. She says that she did this because she has financial problems, while her mother is receiving a pension. The fathers of the children are not paying maintenance. youngest child. They say they are doing this because the crèches that give decent child care (i.e. that will change nappies and
Ky 033 Ky 098	Aranda a female household head reports spending time with her child belonging to the Eastern Cape, daughter to be taken care of by a daughter of the household (all in the Eastern Cape) remain in the Western Cape, under the care of her husband (their father)
Ky 101 KY 052	Two children belonging to one household member are being taken care of by the mother of the household member in the Eastern Cape. When the informant in this household lost his job, his wife and their child moved back to her mother in the Eastern Cape. She was living there and caring for the infant at the time of the study, while the informant looked for urban jobs and fended off his creditors time of the interview. This child was placed in the care of one of the female household members by its mother just before she was
Ky 107	The retired female household head has three older children and three younger grandchildren living at the house. She looks after the grandchildren. The informants indicated they have been looking after the baby for two months but would probably receive no money for their efforts.
Ky 111	The middle aged female informant has several older children, but they are indistinguishable from the mass of people who congregate around the community development project and day care centre that she runs. (She is an important conduit of donor funding and has organised several community initiatives). She is separated from her husband.
KY 156	The informants are a married couple, and they jointly look after their three young children. As he is (temporarily) unemployed and she is studying, he occasionally does the care work.
Ky 158	A reticent and resistant interviewee. This elderly woman lives with two of her adult children. It is unclear whether she looks after

	any grandchildren.
Ky 157	The wife of this informant spends most of her time in the Eastern Cape, looking after the homestead and five children (not all of them hers). When the wife visits Cape Town once a year, their daughter 'swops' over, and she returns to the Eastern Cape to undertake the child care work
Ky 159	The household head and his wife are joined in this residence by their daughter and granddaughter, when their daughter (the child's mother) works elsewhere either the informant or his wife look after the grandchild. Also resident in this household are two teenage sons from a previous marriage. They moved in recently, after the death of their Eastern Cape grandmother.
Ky 164	The daughter of the female household head grew up in the Eastern Cape in the care of her grandmother while her mother looked for work. She had to move back to the Eastern Cape when her grandmother's disability grant was terminated. During the time that the daughter lived with the grandmother, her mother had two more children with another man. When he died, these children were also sent to stay with their grandmother. The grandmother was doing domestic work in East London at the time, so it was an aunt and the eldest daughter (i.e. the sister) who did the care work
Ky 166	When the informant migrated to Cape Town, she only took her youngest child with her. Three other children remained with her mother in the Eastern Cape, and only joined her much later.
	Mount Frere
MF 001	The informants are a couple with five children. The son and two daughters (one of whom is partially disabled), of the informants live with their aunt in the town of Mt Frere town where they attended school. An older son lives with an aunt in Johannesburg, where he is repeating grade 12. The fifth remaining child stays with the informants at the homestead in the village.
MF 013	The female household head and her 32 year old daughter-in-law (who lives in a homestead adjacent to hers) are the only adults at these homesteads. They look after a total of six grandchildren, while the children's parent's (i.e. the informant's adult children) work predominantly in Durban and Kokstad. The household head looks after the grandchildren exclusively when the daughter in law works or travels outside of the village.
MF 020	The informants, a married couple, have a total of nine biological children. Four are schooling in Mthatha or Gauteng, while five children live with the informants in the village. One of these children has a young infant of her own (i.e. a grandchild of the informants). Two adult brothers of the male household head also live with them. One of the brothers is described as mentally ill.

MF 028	The informants, a married couple, have two adult children and four grandchildren living with them. Two of these grandchildren are their son's, a third is their daughter's and the fourth and final grandchild was born to another daughter who subsequently died.
MF 050	The female household head looks after the homestead on behalf of her extended family. She takes care of her own three children, each by a different partner and none of whom pays maintenance. When she goes to visit her grandfather, she leaves her two older children with a distant neighbour and takes her infant with.
MF 058	A materially well-off household characterised by the collapse of care arrangements. The main breadwinner works in Johannesburg and sends a regular remittance. The breakdown of the marriage and the enforced departure of the breadwinner's wife, followed by unsatisfactory paid caregiver arrangements, meant that no clear set of care arrangements currently exist. Multiple informants indicated that the two teenage children and their nominally in charge 25 year old brother 'need parents'.
MF 061	Four generations of women, resident in one homestead. The youngest, an eleven year old girl, is looked after by her grandmother when her mother seeks work in the urban areas. The great grandmother is lucid, but herself in need of care.
MF 072	A married couple who live with two adult children and two daughters in law at a large homestead. The two adult children and daughter's in law have a total of five of their own children; in addition two grandchildren (whose mother is ill in Cape Town) live with them.
MF327	In the past the female breadwinner of this household migrated extensively doing domestic work. At this time she did not take her children with her but split them up and distributed them amongst her husband's family in the village. At present, two children are schooling elsewhere and are staying with relatives. At the time of the interview, the breadwinner's adult daughter was herself reportedly unable to migrate to Johannesburg to seek work because she could not find a caregiver for her child. Leaving the child in the household would inhibit the breadwinner's ability to do the piecework she relied on
MF 339	When this female informant with two children was widowed she was 'married off' to her deceased husband's brother, and bore an additional three children. She currently looks after two of her grandchildren at her home.
MF 340	An elderly woman, whose husband works in Johannesburg, lives with her son, his wife and their child live at this comfortable homestead. In addition the informant and her daughter in law look after another two grandchildren who are resident at the house
MF 349	An elderly female household member has a teenage son, and look after a maternally-orphaned nephew, two grandchildren (one of whom was 'dumped' on the family by the girlfriend of one of her sons), and a disabled (blind) elderly relative (the brother of her husband).

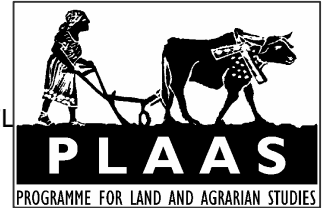
MF 370	A middle aged woman looks after her last-born teenage son and a younger grandchild.
MF 385	Three orphaned children, living on two foster care grants (the eldest is over 18 years and therefore ineligible) in a household of their own. They are nominally overseen by an elderly great-aunt.
MF 390	The elderly male household head is frail and sickly. His wife, the female household head provides care for both him and their two children. Two other older children have already left the household
MF 393	The household heads, a married couple, share the house with their daughter in law (who has two children), and an additional three grandchildren. Two of the grandchildren used to live with the great grandmother a short distance away, but she recently died hence they returned to this household.
MF 567	The widowed household head only had a single child who died in infancy. She took on one relative's child to help around the house. When her husband's employment package paid out, three additional relative's children joined her household to be cared for.
MF 569	The female household head looks after her mentally ill adult brother (who receives a disability grant), along with eight grandchildren and the children of several other family members. She has successfully secured a number of social grants for them.
MF 583	The female household head has been abandoned by and become estranged from her husband. She looks after her four children (the fifth has left the household) and two grandchildren.
MF 588	The retired household head and his (third) wife look after their epileptic adult daughter and her daughter (i.e. their granddaughter). Several adult children have already left the household.
MF 607	Elderly female informant and last born child and her daughter in law jointly care for three grandchildren, including the child of the daughter in law's husband (i.e. the informant's son) from a previous relationship.
MF 619	A middle class couple (employed as a teacher and principal) live with their three children and the two additional children of relatives. They have three children in boarding school. Also resident at the compound are two domestic staff, one of whom has a child dependent.
MF 627	A poor household. The male (nominal) household head appears to abuse alcohol. They have one child living with them, along with four grandchildren. Some of the children look conspicuously malnourished.
MF 636	The daughter in law of the very elderly female household head died recently. The household head's son (the deceased woman's husband, works in Johannesburg). Resident in the household are the deceased woman's two children (i.e. the head's grandchildren). The household is monetarily comfortable through a regular remittance but labour poor, so they employ a younger woman to help with

	care work.
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Ifomu yokinikezela ngodliwano-ndlebe NO:

Esi sivumelwano siqinisekisa ukuba udliwano-ndlebe lwakho luyakusetyenziswa, lugcinwe ngokweminqweno yakho.

Mna.....(u-mbuzwa),
ndiyavuma ukuba
U.....(u-mphandi)
acishilele igama lam, inkangeleko, ubekeko kunye nelizwi lam kumathotholo wokucishilela, ikhasethi lokucishilela, cishelelo olu luzokuthi lusetyenziswe kuphando-fundo lwe- Vulnerability, Labour Markets and Social Protection olu qhutywa yi-Programme for Land and Agrarian Studies (PLAAS).

Ndiyavuma ukuba:

- Udliwano-ndlebe olwenzwe nam luzokugcinwa kwi Dyunivesithi yaseNtshona Koloni kunye nase Centre for Popular Memory kwiDyunivesithi yaseKapa apho zothi zigcinelwe ukusetyenziselwa ukufundisa kwakunye naku phando-fundo. Izikhutshelo zingathi zenziwe ziphelele okanye zingaphelelanga kumajelo osasazo, nonaphakade apha emhlabeni kodwa phantsi kwemiqathango engqongqo edweliswe apha ngezantsi.
- Ukusetyenziswa kolu phando-fundo eluntwini luzokuhamba ngokwemiqathango engqongqo yengalo yomthetho enobulungisa.
- I-Programme for Land and Agrarian Studies kunye neDyunivesithi yeNtshona Koloni zizo ezizokuba nelungelo lokubhala nokucishilela lolu phando-fundo, nto leyo ithi yenze ndinikezele elam ilungelo lokubhala nokucishilela endinganalo kwigalelo lam.

- Esi sivumelwano simele uvumelwano phakathi kwam kunye nomphandi lo yaye utshintsho luvumelekile kuphela xa mna nomphandi lo sivumelana koko ze kube kokubhaliweyo.

Ukusetyenziswa kolu cیشهلهلو luxhomekeke phantsi kwale miqathango ilandelayo:

1. Igama lam ndifuna likhuselwe esidlangalaleni yaye lingapapashwa.
EWE HAYI

Eminye imiqathango.....

Umbuzwa:.....

Isandla esityikityileyo:.....

Idilesi.....

Umbuzi mibuzo okhoyo:..... **Date:**.....

Ikhutshelwe:.....
