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## **The Political Economy of Social Capital: Chronic Poverty, Remoteness and Gender in the Rural Eastern Cape**

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## **The Political Economy of Social Capital: Chronic Poverty, Remoteness and Gender in the Rural Eastern Cape**

**Abstract** / This paper uses two case studies drawn from in-depth ethnographic research in South Africa's Eastern Cape to interrogate and problematise the often simplistic or reductive ways in which the concept of social capital is used in debates about development and poverty alleviation. It argues that if the concept is to be useful at all, it needs to be used in ways that are sensitive to the fact that social capital inheres in social relations; that these social relations cannot be understood separately from the meaning-giving practices and discourses with which they are entangled; that the analysis of social capital requires an agent-centred approach that is alive to the way in which it is used, transformed, created, made and remade; and that such an analysis further more needs to be alive to the nature of power relations both on the micro-level and the macro-level of political economy. The analysis of social capital therefore should be linked to a careful account of the practices, networks, systems and processes that empower some and enable them to climb out of poverty, but which also marginalise and trap others in poverty that is deep-seated and chronic.

### **Introduction**

'Social capital' figures in much development discourse as a mysterious substance, elusive yet vital, holding communities together, underpinning coping strategies, enabling entrepreneurship and thus forming one of the key conditions of possibility for poverty alleviation and poverty reduction strategies. So central has this concept become that the definition of 'social capital formation strategies' has become a key requirement for government officials concerned with social development and poverty alleviation in South Africa (City of Cape Town, 2005). However, the phenomena usually lumped together under this ambiguous term are complex and multifaceted.

This paper considers some case studies from the Eastern Cape and uses these to interrogate this concept.<sup>1</sup> In doing so, we pursue a number of interlinked agendas. In the first place, this paper tries to contribute empirically by identifying some of the key dynamics and processes that shape 'social capital' and how it impacts on livelihood opportunities and strategies. Secondly, it highlights why this matters for poverty reduction and amelioration processes. But thirdly, the paper is also an intervention into – and a consideration of – the concept itself, and the hidden discursive politics of theory production in the linked disciplinary fields of development studies and development practice. The 'political economy' of 'social capital' thus names not only the power relations that shape 'social capital' as an 'empirical' and lived reality 'on the ground' (see Bourdieu, 1984; Gledhill, 2003; Scott, 1985), but also the larger politics of theory production – the processes that inform the paths by which theoretical terms

either stay marginalised or enter the mainstream of social and economic development discourse and are contested there (Grillo and Stirrat, 1997; Woolcock and Narayan, 2000).

We begin with a brief consideration of the genealogy of the term and some of the more significant scholarly considerations of social capital, both internationally and in a Southern African context. After a sketch of the depth and breadth of poverty in the Mount Frere region of rural Eastern Cape we describe some of the complexities encountered in two households – one poor, one not so poor. We close with a discussion of what these reveal about social capital, what this means for understanding why poor people remain poor and with an identification of some salient theoretical implications.

### **Capitalising on the Social**

Social capital is a uniquely fluid and contested term in the field of development studies, and an extensive literature exists exploring its genealogy and challenging its use (Fine, 2003a, 2003b). For example, Grootaert and Bastelaer contend that 'the social capital of a society includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development' (2001, pp. 4). Like 'social exclusion' – which has similarly developed its own abstracted and discursive 'social life' within the development lexicon (de Haan, 1998, 1999; du Toit, 2004) – 'social capital' is a term that is simultaneously characterised by wide usage and great looseness of application. As such, it has formed one of the primary strategies through which global development institutions such as DFID and the World Bank have been able to name 'the social', albeit loosely, within the 'econometric imaginary' and the technicist frameworks of development discourse and practice (Eyben, 2000; Gardner and Lewis, 2000; Krishna and Uphoff, 1999).

Whilst this could perhaps be perceived as a 'step in the right direction', and one that has been informed by the development of empirical studies (Beall, 2002; Narayan and Petesh, 2002), the use of the term has subsequently been marked by a modernist tendency to shoehorn the specificity of culture and society into abstract and essentialising frameworks which are then deemed broadly applicable to all cultures and contexts. Probably the most important

discursive vehicle for the dissemination of this flattening, decontextualising mode of analysis has been the so-called 'sustainable livelihoods framework', which famously includes 'social capital' as one of the essential resources that form part of the so-called 'asset pentagon' (DFID, 2000). Institutions such as the World Bank, through their Social Capital Initiative, as well as DFID, through their promotion of sustainable livelihoods frameworks such as the aforementioned 'asset pentagon', seek to contextualise vulnerability within a model that is fundamentally mediated and held together by relationships of one form or another, be they economic, social, cultural, political or institutional.

The various forms of capital described in the framework include: financial capital, which implies cash savings and liquid assets such as livestock; social capital, which implies social networks and relations of trust and reciprocity, as well as material and symbolic exchange; natural capital, which implies the given natural resources that are both available and useable; human capital, which implies useful and productive skills, techniques and knowledge; and physical capital, which implies the infrastructure and services that underpin all other forms of capital in an enabling sense (DFID, 2000). This schema brings with it the imaginary of a puzzle, the five pieces of which once manipulated, strengthened and interlocked bring about empowerment, security, sustainability and thereby social change in the form of a reduction in poverty.

Some explorations of social capital – particularly those drawing on Putnam (2000) and Fukuyama (1995), rather than Bourdieu (1984) or Coleman (1990), have tended to conceptualise it rather naïvely as a generally enabling and instrumental social resource (e.g. 'generalised trust') homogeneously available within a particular community, and as one that is a particular feature of modernity and contemporary governmentality (Giddens, 1990). Other attempts to operationalise the concept as part of a research agenda have highlighted the need to go beyond this a-social conception: some kinds of 'social capital' (e.g. those disposed of by criminals) can have negative implications; some reside in Faustian bargains that trap people into long-term dependency (Wood, 2003); and the poor and marginalised are often those who are least able to realise it and consequently avail themselves of its benefits (Adato,

Carter and May, 2004). So whilst social capital breeds trust and trust can be perceived as a form of collectively held 'security of knowing' that is highly influential in terms of livelihood sustainability, we also need to accept that discrete political economic environments are highly differentiated and that poverty conversely gives rise to 'ontological insecurity' in which vulnerability and risk become the chief characteristics of inherently insecure livelihoods (Giddens, 1990).

Much of the work on social capital has however remained quite general in nature and has remained within the abstract econometric imaginary - not engaging with the 'socially meaningful' nature of existing social relations. This paper, in contrast, seeks to build on this existing theoretical work. At the same time it seeks to extend this work by showing what can be learned from the fine-grained exploration of the meaningful social relations within which 'social capital' subsists and the analysis of these relations through the frameworks provided by political anthropology and the anthropology of development (Fairhead and Leach, 2003; Gledhill, 2000; Hobart, 1993). These bodies of work are based on the assumption that power (and by association social capital) needs to be understood by way of ethnographic accounts of society: accounts that reveal the complex social, political, economic, gendered and spatial relations and interrelations that underpin social phenomena. Our account, in other words, draws on paradigms very different from those that inform the econometric imaginary. It describes society not with reference to distributions within populations, but rather with reference to institutions (Wright, 1994), actual practices (Richards, 1993) and power relations (Gledhill, 2000) – all of which need to be grasped as *meaningful*, and which cannot be understood without reference to the underlying discursive practices, cultural repertoires, identities and histories that make them what they are.

From this perspective 'social capital' is a term with ambiguous potential. It is often used in mystifying and problematic ways. But we believe that correctly used - in other words as a term that seeks to name the complex sets of social relationships that position people in society and the cultural and discursive resources that shape and inform these relationships - the opportunity arises for a critical investigation into the detailed structure and dynamics of

these relationships and processes. In turn, any such investigation can be a theoretical vehicle that allows the re-introduction of a social and relational perspective of human agency into the analysis of poverty and development. This paper in other words, is a plea to take seriously the 'social' in social capital, to anchor the term in fine-grained socio-cultural analysis of the shifting terrains of political economy, and to ensure that when the term is used it is done so in a non-essentialising manner.

### **Remoteness, marginality, and migrancy Mount Frere**

Remote from South Africa's industrial and commercial centres but with a history inextricably tied to them; economically depressed and underdeveloped yet linked into complex, vibrant and spatially extensive survival strategies and life histories; Mount Frere epitomises the interrelatedness of urban and rural poverty and economic development in South Africa. It is a deeply impoverished and deprived area: a survey in 2002 showed that 97% of households reported private consumption expenditure below a monetary poverty line of R560 (US\$53) per adult equivalent per month; 23% reported experiencing food insufficiency 'often', while some 83% of households had too little food at some point during the previous year (du Toit, 2005).

At the heart of this poverty lies the Eastern Cape's history of systematic underdevelopment in rural employment, productivity and infrastructure. Land based livelihoods are vital yet fragile and marginal: 88% of households reported cultivating maize, but only 7% reported selling some of their produce for income, while 18% engaged in very limited trading. While 87% of households report access to some kind of productive land, only 6% reported raising any kind of income from it and 87% of households were reliant on store-bought maize meal throughout the year (du Toit, 2005). At the same time the formal economy has failed to provide adequate employment and livelihoods. For many generations, the mining economy underpinned labour migration, providing not only a strategy for escape from rural poverty but also powerfully shaping rural life histories, livelihoods and household structures. Though mining has declined in economic vigour, migrancy continues to link the Mount Frere region to distant urban locations in Durban, Port Elizabeth, Johannesburg and Cape Town, though prospects for employment and therefore success are now less certain and migration patterns are shifting

towards a female, rather than male, bias (Posel and Casale, 2003; Casale, 2004). The decline in key sectors of the economy is reflected in widespread job losses that impact on urban livelihoods, and via interruptions in remitting to relatives, upon rural areas too. Between 1996 and 2004, South Africa lost 75,000 clothing and textile jobs and between 1991 and 1999 150,000 jobs were lost in the mining sector; 110,000 were jobs lost in the manufacturing sector and 100,000 in the building sector. In rural areas jobs that do exist are predominantly in the local service sector, and access to these is often controlled by a fragile, yet often extractive, local political elite that uses its traditional or political authority (which may be substantially aligned) and attendant economic power to entrench its control over whatever resources are locally available.

It would thus be wrong to see the Mount Frere region as a backwater, forgotten both by history and capitalist development. Not only does migration past and present, provide a thousand threads of connection between the eroded hills of Gibson Mission and the African settlements on the metropolitan periphery; but corporate capital has also penetrated deeply into this landscape. The biggest store in Mount Frere Town is the Spar Supermarket which repackages and sells its commercially grown staples in standardised 'bulk hampers' of mealie maize, sugar, flour, potatoes, oil and so on and which are designed to feed a household for a month for the lowest possible financial outlay (typically R220-290 [approximately US\$21-28] at the time of the survey). Also, a plethora of stores and road-side stands vend telephony products and services, including Vodacom, MTN, Cell C and Telkom airtime and phone usage, whilst national banks, commercial life assurance and burial societies, as well as fast food outlets occupy the more modern buildings along the main street. Even remote villages sport an Adondo phone set with Vodacom phone access at vastly inflated prices, meaning that large corporations in collaboration with local elites are able to extract profit from seemingly the most economically marginal of rural contexts.

So, contrary to the notion that poverty in rural South Africa arises out of the lack of connection with the 'first world economy' part of the problem may well be the depth and strength of the connection. While there is economic activity in Mount Frere Town, which services the



surrounding villages, small local rural service industries are almost invisible in the landscape, while the scant profits of much local trading - effected through the aforementioned stores and institutions - are expatriated to the coffers of national monopolies, parastatals and corporate players. Access to the local economic opportunities that do exist is jealously guarded. What stable and secure livelihoods there are in the area are those linked to the state and local government. In turn, access to these is governed by a local elite that is both traditional and political and which uses its economic clout and connections with state power to squeeze whatever remaining profits there are to be made out of their poorer neighbours (i.e. through setting up an Adondo phone business).

Yet in this desolate economic landscape, simultaneously so dominated by the shadow of its colonial past and so ravaged by the economic rigours of post-industrial restructuring, poor people continue to survive. While formal economic data show the absence of jobs, they do not show the density and complexity of local livelihood strategies. Equally they do not tell the intimate stories of suffering and survival, nor aspects of social mobility that emerge – often born of patronage – from the inevitably diverse, layered and complex economic and political terrains evident in villages such as Gibson Mission. Consequently, two qualitative case studies are elaborated below that illustrate some of the underlying dynamics that characterise the phenomena that comprise social capital.

### **Two households**

The Gwiliza household is representative of a successful and dynamic rural household, one in which economic migration and local capital accumulation has resulted in class mobility and entry into a localised rural elite. The household occupies a very large compound with attached maize garden, vegetable garden and livestock enclosures in the heart of Gibson Mission village, approximately an hour by dirt road from the town of Mount Frere. The gardens act to supplement the household income, though much of the food grown is gifted to relatives or provided to poor neighbours experiencing hunger. The compound, which is well fenced, features a number of traditional-style buildings, as well as a large modern red brick and tile-roofed house featuring a fitted kitchen, dining room, lounge, bathroom and bedrooms. The

very visible wealth of the household belies its long struggle for security amidst fluctuating family fortunes, bereavements and political instability. Elsie Gwiliza, the 48-year-old household head, is a schoolteacher by profession and has two grown-up children who live in nearby Umtata. She has two brothers who live in Cape Town, one of whom remits money on a regular basis. Further, Elsie lets out two of the buildings within her compound to young boarders who attend the local high school, which with its good reputation draws students in to Gibson Mission from the surrounding villages.

Elsie's husband died in 1995 of *ipika* (Xhosa term for 'short breath') after working in the mines around Johannesburg for a long period of time. The history of apartheid, of influx control, pass laws and discriminatory labour acts tore asunder rural families, with men being recruited to the mines and manual labour in the cities whilst being unable, by law, to travel with their families (Surplus Peoples Project, 1984; Worden, 1994).<sup>2</sup> This historical process has resulted in the emergence of powerful matriarchs and female household heads in rural areas, this trend being further compounded by the contemporary feminisation of 'professional' employment opportunities in rural South Africa as nurses, teachers, social workers and civil servants.

Elsie grew up in a very poor household. Her father died when she was eight years old in 1964, which forced her mother to journey to Port Elizabeth to seek employment as a domestic worker, leaving Elsie behind with relatives in her natal village. This personal decision in response to private tragedy was profoundly shaped by local economical and political realities. Behind her mother's decision lay the aforementioned long history of underinvestment in rural areas by successive apartheid governments and the effective separation of *Bantustans* or Homelands from the South African state that is viewed by many as apartheid's zenith. Such factors resulted in an economic stagnation and impoverishment that continues to act as the dominant 'push-factor' for rural to urban economic migration (Pederby, Crush and Msibi, 2004; Seekings, Graaf and Joubert, 1990; Crush, Jeeves and Yudelman, 1991).

Inevitably, though economic 'push-factors' are significant, they are counterbalanced by equally significant factors that pull people back to rural areas, such as the need to care for children or siblings, sick relatives or to simply maintain the viability of the rural household in a survivalist sense (Hochschild, 2000). Historical underdevelopment has led to the emergence of 'stretched' households that may be characterised by domestic fluidity and tightly connected spatially extensive kinship networks, which serve to connect rural and urban landscapes. These relations figure very prominently in migration processes. The collapse of, for example, childcare arrangements in the deep rural areas can result in a failed attempt at urban migration. This complex is reflected in the story of the Gwiliza household since, soon after her mother migrated to Port Elizabeth, Elsie's grandmother and principal carer died, forcing her mother to return, after which she went to work as a domestic for a local shopkeeper while her daughter attended school. Elsie reveals that her mother's course of action was driven by the desire to keep her in school, as she recalls:

I was very bright at school, and there was a chief here, a grandfather to this [the current] chief. I passed my Standard 6 with a distinction and then the chief was very interested to help my mother because she was poor and then he paid fees for me whilst I was doing Form 1, Form 2, Form 3. I passed Form 3 with first class.

This investment in Elsie's education enabled her to undertake a teacher-training course, after which she secured a job teaching at a high school in a nearby village. However, due to the relative poverty of her family, soon after her mother moved to Johannesburg to look for work, where she was employed once more as a domestic. In 1975 after only a couple of years of employment Elsie's mother returned to the village complaining of headaches and died only two weeks later.

With the death of her mother, Elsie's household responsibilities were compounded. She concedes that:

It was a very, very, very bitter situation and my life was difficult because I had to help in bringing up my brothers and sisters. And yet at home there was no cattle. There were only two huts, so I had to struggle to build up some houses there. I had to build my home, start it afresh. There was no garden, no fencing, it was just a poor, poor home.

The investment made by the local chief in Elsie's education has facilitated access to formal 'government' employment, but also to an enduring degree of social mobility, albeit facilitated through the structuring of a patron-client relationship that makes Elsie indebted to traditional authority. From this perspective, the acquisition of social capital, whilst allowing for mobility, comes at a distinct price. However, for most it is a price worth paying since formal salaried employment is extremely scarce within rural areas in Mount Frere District; and 'professional' jobs such as nurses, teachers, and civil servants are prized for the long term stability that they bring to households. Further to this, a government salary provides an economic base from which alternative income-generating enterprises may be developed and allows for casual labour to be enlisted to maintain and reproduce the household. For example, in 1996 Elsie purchased a *bakkie* (a van) that she used as a taxi (to run between the village and Mount Frere Town) for a number of years (it is currently under repair). She also travelled regularly to Durban in the late 1990s to purchase clothes and other small goods for resale in the village. This business ended in 2001 when she started letting out rooms to school boarders attending the local high school.

Currently, Elsie employs a domestic labourer who works seven days a week for R250 (US\$41) each month, as well as a number of young men who take the livestock out to graze each day. The domestic, who is HIV+ and resides in the compound with her two-year-old daughter, attends to all of the activities necessary to maintain the household. Her presence frees Elsie to undertake community and committee activities, such as holding transport committee meetings in her home. Elsie, as an educated and well-respected community member, is also the chairwoman of the influential ward committee, which is a sub-committee of the broader 'chief's committee' and provides advice both to the chief and to the local ANC

councillor who represents the ward at local government level. She is currently mobilising community members to fight for national grid electricity and more consistent water services, as the standpipes, located in public places in the village, and in the yards and bathrooms of better of households such as Elsie's and the local chief's, frequently run dry. In Gibson Mission, as in many other rural areas, the distinction between traditional and political authority is substantially blurred, again by extended kin relationships. The local ANC councillor is the younger cousin of the chief and resides in nearby Mount Ayliffe Town, a district centre of local government. Such connections allow traditional authority to tap directly into flows of state money, services and goods that would otherwise be unavailable in the context of a shifting post-apartheid political terrain in rural areas (Gilmartin and Rangan, 2002).

Whilst Elsie is engaged in fighting for equality of access to services, she is also clearly engaged in another moral economy that has at its heart traditional authority. So whilst she is indebted to traditional authority and the patronage it has historically bestowed, she wields considerable authority in her own right as a respected teacher and ward committee chairwoman. Some of this authority is exercised in a self-interested way to maintain her existing socio-economic standing. For example, she helps ensure that the village is connected to mains electricity - in turn removing the high cost of running generators for wealthy households. However, some authority is exercised in support of her own clients, often members of her extended family or close friends who have preferential access to social welfare payments by virtue of the fact that the ward committee recommend to the local Social Development Department who should or should not be supported, either with food parcels, grant in aid or disability payments (Waddell 2003; Standing and Sampson, 2003). So, whilst the risk associated with engaging in alternative rural income-generating enterprises is significantly ameliorated by formal salaried employment, patronage and social positioning on influential community committees also works to offset some of this risk.

The situation of the Menziwa household contrasts starkly with the relative affluence of the Gwiliza household - and is much more typical of poor rural households in the district. The story of the Menziwa household demonstrates a number of processes of impoverishment that

work at various spatial and temporal scales, resulting in failed migration strategies, structural and social processes of exclusion, and negative incorporation into economy and society on adverse and disempowering terms. At the age of 15, Patricia Menziwa became the wife of a migrant labourer, an absent husband who for twenty years would visit his natal village for a few weeks a year every December. Although he regularly sent remittances to Patricia in the village, their family has not weathered the stresses of the apartheid government's systematic undermining of rural livelihoods and the household has experienced a significant narrowing of options and possibilities available to them. They are now worse off than ever before, partly because there is no one sending any form of remittance from an urban area. Her husband returned from Johannesburg in 1992, as part of a first wave of job losses resulting from the contraction of a number of economic sectors, most notably mining. Now, he invests his time and labour in looking after livestock, which act as an important supplement to household incomes during times of extreme stress, and helps to offset the shocks associated with bereavement, such as localised commitments to ritual feasting and burial ceremonies.

The decline of the mining industry in South Africa has meant that the nature and role of urban migration has changed. Increasingly it is women who successfully migrate to urban areas and find employment, typically as domestic labour in rich urban households. However, this trend has occurred without Patricia's participation. In order for her to participate in the migrant economy of domestic labour, she would need to be located in longer chains of care wherein she would have to displace her own children (and other dependents) into another's care while she provided her own labour as 'emotional surplus value' in another household (Hochschild, 2000).

A range of different forms of capital could be said to sustain the Menziwa household, albeit marginally. Patricia, after much difficulty and travel expense, was able to register herself as the caregiver of her grandchild in order to receive the R170 (about US\$27) child support grant. Her investment of time and money in obtaining this grant was only made possible by finding paid work within the village making *izitena* (mud bricks) for other households renovating or extending their houses. As a form of social and economic transaction, this is

more preferable than having to ask neighbours or relatives for direct gifts of food, which entails a loss of respect that is far more serious than brick-making, which in itself is commonly perceived as one of the lowliest forms of rural labour.

Patricia is embedded in a set of village-level social networks entailed in relationships with neighbours and institutions that work variously to aid or hamper her household survival strategies. Recently, Patricia has been forced to turn to her neighbours, Mrs Ndlovu and Mrs Jافتا, for requests of food, which are given freely. She does however remain indebted to them, and is able to repay this social debt through caring for a number of their grandchildren. Mrs Jافتا, who is also the village health worker, and Mrs Ndlovu are also members of Patricia's collective saving scheme or *umgalelo*, although these 'financial' transactions are kept very discrete. Every month, Patricia contributes R30 (less than US\$5) from her meagre income to the group, which pays out in the event of a funeral within the members' families. This payout is termed 'milk' in reference to the various kinds of sustenance, physical, social and symbolic; that the money provides during bereavement, for it enables households to hold a dignified funeral without plunging the household into crippling long-term debt. Following bereavement the extended family also donates money to the deceased's family to further offset household costs.

In many ways, attendance at funerals, while signifying the increasing number of deaths in rural areas, increasingly from AIDS-related opportunistic infections such as TB, can generally be seen as giving shape and form to many social processes within rural Eastern Cape. Here, extended family networks, plus formal and informal social networks are mobilised and 'enlivened' through notions of relatedness and belonging, proximity, friendship and shared struggle, as a means for mitigating the regular impact of bereavement and everyday strains of coping with life under 'pressing' conditions. Being unable to hold feasts or give gifts of food to those who are poor can undermine a household's cultural, social and symbolic standing and ultimately, class position. In this regard Patricia reveals that:

One must go to other people's funerals in the village. Otherwise, no one will come to your funeral when you die. It is very important for people to see that you are going to the funeral, to see that you are a member of the community.

Thus, the creation of social debts and obligations, through feasting and visiting (during mourning periods) helps to establish bonds that hold both localised reciprocal social networks in place, but also fix collectively held notions of respectability, even in the face of poverty.

Household survival then is made possible by complex and intricate social, political and economic relationships that are shaped by the exchange of gifts and services, which sometimes take the form of goods and labour. These goods and services can be linked to monetary payment, but often they are part of a more complex web of exchanges, obligations and loyalties. For example, making bricks is badly paid, hard physical labour that creates much larger 'surplus' value, in cultural and symbolic terms, for the new house owner. Further, Patricia's non-participation in village level committees or other more formal politics is partly constrained by her severe poverty and partly a result of it. Her inability to gain entry to the list of people to receive grant-in-aid or a disability grant is in part mediated by the village health worker and committee chairwoman, Mrs Jafta and Mrs Gwiliza respectively. This highlights the complex ways in which some households are linked and variously excluded or embedded on adverse terms within the rural economy and complex class structures of the village.

The agrarian economy has also undergone change, though it continues to play a vital but supplemental role in livelihoods. Processes of de-agrarianisation and monetisation within the rural Eastern Cape have meant that Patricia Menziwa's ability to rely on self-grown food, collected firewood, or clean water is limited. Government initiatives to provide health care, potable water and energy services are constrained by poor departmental capacity, widespread corruption, remoteness and a historical legacy of concerted under-investment. The Menziwas, like many others, have witnessed an ongoing decline in agricultural productivity and shifts in their reciprocal obligations - often as a result of male out-migration for employment - from harvesting, heavy land clearing or house building, to more survivalist



modes of reciprocity such as working for food, caring for children or seeking gifts from neighbours.

The many mouths to feed in the Menziwa household often go hungry. The patronage associated with traditional authority also extends to the granting of land for farming. Whilst the correlation between land holdings and social influence would be interesting to pursue, suffice to say that the chief has little to gain from granting additional lands to the poorest households. Though a small landholding, Patricia's children's contribution to the nearby food garden is hampered by a lack of other inputs, such as seeds, water, and particular gardening skills that would help to overcome the limitations of poor soil and little water. More fundamentally, agricultural production is hampered by the relatively low cost of commercially available bulk foods, such as mealie maize. Consequently, the economics of farming for poor households is framed by the need to minimise the costs of non-labour inputs, since high cost inputs can make higher-yield maize production uneconomic.

This scenario appears to be borne out in analysis of the household economy. Because of poor rains this year, the Menziwa household has harvested only 50kg of maize, which is only enough to feed them for two months. The rest of their food must be bought from supermarkets in Mount Frere Town, such as the aforementioned Spar supermarket, which act as siphons for poor households' money out of the local economy and into the towns and thereafter, national and international markets. Historical underinvestment in black rural areas and concentration of resources in the white commercial farming sector has resulted in the availability of cheap bulk foodstuffs that whilst underpinning the survival of many poor households, continues to undermine the viability of increased agricultural output in poor villages such as Gibson Mission.

In a sense, Patricia is not literate or competent in the ways of power, and of peddling identity. While the Menziwa household may not have experienced a number of major shocks, their story points to the net effects of these chronic stresses on very poor households, and is one way of understanding their downward mobility. Their inability to keep paying for school fees

means that inter-generational investments in human capital have not been possible. Patricia's children are stuck within Gibson Mission; they are unable to go to school because of the cost and unable to find employment, either within the village or beyond. Patricia's four children are too old to be eligible for child support grants and she herself is too young for a state pension. She has taken in a boy from next door whose parents died of AIDS two years before, and she cares for her five-year old grandchild whose mother disappeared after going to Cape Town three years ago. Patricia laments that:

Since then I've never heard from her. She never called, she never wrote. Even the people from the village who are working in Cape Town, they say they don't see her. They are keeping an eye out for her so they can at least tell her to phone home but they haven't seen her.

The extended networks of clan and village that bridge rural and urban areas have not yielded any information on this missing daughter and Patricia fears she is dead. This example is not unrepresentative and constitutes a failure to effect a successful migration and improve a rural livelihood, whilst reflecting the legacy of structural inequalities that have driven economic migration from rural to urban areas over successive generations.

### **Putting the 'social' back in 'social capital'**

A consideration of these case studies highlights some of the grounded complexities of 'social capital' and how it works to variously help or hinder those dependent on and caught within its webs. Firstly, social capital - understood as the set of social relationships within which people are embedded, as well as the underlying discursive practices that shaped these relationships and imbued them with social meaning - played a deeply ambiguous role. Above all, it underpinned and shaped the terms of a series of claims, counter-claims and a-symmetrical life decisions: interchanges and transactions by which some - surely - benefited, while this benefit often - as surely - came at someone else's cost. 'Social capital' was what allowed Elsie's mother to migrate to Port Elizabeth, leaving her child in her mother's care; 'social capital' is what drew her back again when her mother died. 'Social capital,' in the form of

deeply sedimented local traditions about chiefly patronage, is what enabled Elsie's education; 'social capital' also defines the web of debts and obligations within which this gift then placed her. These local codes defined Elsie's obligations once her own mother died; they shape her local beneficence as a respected local matriarch – a beneficence which in turn creates a reserve of symbolic credit on which she can draw in self-interested ways.

Secondly, this account highlights how important it is to link accounts of social capital to an ethnographic understanding of agency. While social capital exists to some extent in the existing social relations that people have, and the local cultural forms that imbue these relations with meaning, it also needs to be understood as something that is ceaselessly created and recreated in particular acts: acts that draw upon that history and transform it, adding to and sometimes allowing a refiguration of local histories, personal alliances, obligations and purposes. The expression of these transformations can be found in the social mobility and class repositioning experienced by some, and the immobility and persistence of poverty experienced by others. In this context, complex literacies and competencies - the ability to speak the languages of power and to engage both with the world of the formal state and with the local institutions of traditional authority and power - play an important role. But beyond that there is also the meta-literacy of social capital itself - the ability to work it, and the knowledge of strategy in the ceaseless, day-to-day acts of power and exchange that constitute the intimate politics of survival in a context where so much power is caught up in currencies other than money. Grasping agency requires that we grasp local meaning, and that we carefully explore local constructions of morality, justice, inequality, dependence and deprivation, and pay attention to the particularities of how people use it, make it and remake it in particular contexts

Thirdly, re-connecting descriptions of social capital with a robust account of individual and communal agency and its absence also raises the need to pay attention to what Ortner (1999) has described as the 'power problematic'. It requires us, in other words, to take seriously both the analysis of *meaning* and the analysis of power relations and how they change. It is important to focus on the fact that these literacies are used - and these personal histories

unfold - in ways deeply shaped by existing power relations, at both the micro and the macro level. The story of Elsie Gwiliza attests, for example, to the relatively rapid intergenerational social mobility experienced by those who have been able to get a foothold in the world of stable employment. Pathways differ from case to case: sometimes this foothold was secured, as in Elsie's case, through educational attainment, sometimes through lasting cumulative economic connections with distant urban areas such as Cape Town, Durban or Johannesburg. In all of these cases this enabled a relatively stable and predictable access to resources, which in turn made possible a significant degree of material investment (e.g. in Elsie's modern brick house) and the diversification of their rural economic base. But as important was the way in which these life trajectories also enabled the *further* creation of symbolic, cultural, political and social capital. These forms of capital, though highly differentiated and contested, in turn facilitate access to significant community organisational and political roles, and enables people to position themselves in the local social landscape to act as gatekeepers, governing access to and the distribution of critical local resources. To those that have shall be given: access to the benefits and goods that flow from participation in the formal economy – stable access to cash income, for instance; and the ability to invest and the access to further credit that this stable access buys – helps those who have it to position themselves to act as local gatekeepers, controlling access to other resources, allowing them to dispense beneficence and incur further 'social capital' in turn.

Others are less able to orientate themselves or their households towards a more inclusive articulation with polity and economy, through the capturing of social welfare payments, through successful urban migration strategies or diversification of their local income-generating base. Poor households are adversely incorporated not only within a broader macro-economic reality but also within a set of highly localised and unequal socio-economic relationships. This closely-knit social context simultaneously provides both marginal opportunities for survival for the poorest as well as an opportunity for better-off households to absorb cheap local labour and expand their economic base in the process through income diversification strategies. Understanding who is positioned to take advantage of these, and

how people end up being marginalised, is vital to both the analysis of social capital and chronic poverty.

To grasp the processes and dynamics that empower some, and trap others in chronic poverty, we need to focus on how gender, space and power, and the role they play in these complex relationships of dependency, entwine and interact (Massey, 1994). Central to the histories of migration and return charted here are highly gendered and spatially stretched care chains that structure arrangements around household and family reproduction, connecting households in the rural Eastern Cape to the informal shacks of locations such as Khayelitsha on the urban periphery of Cape Town (Hochschild, 2000). In turn, this supports both further out-migration and rural back-investment in the shape of remittances, the extension of compounds, small enterprise diversification, the building of modern rural homes (often for retirement) and more broadly a degree of social mobility. Importantly, such networks also act to transmit and relay shocks and in particular, the material effects of death and bereavement across vast distances, which can act as a significant brake on the aforementioned social mobility. Rather than being seen in terms of stable, centred, coherent and hierarchical units, African households should perhaps be imagined more in terms that borrow from Deleuze and Guattari's (1988) concept of the 'rhizome', which implies networks of nodes interconnected across space and time. From such a perspective the African household can be viewed as a series of socio-economic outposts that stretch out and encompass multiple rural and urban locales that variously stand in dynamic and accumulative, or risk-laden and vulnerability-inducing relationship to each other.

These observations illustrate the need to go beyond the rather limited ways in which the ambiguity of 'social capital' has been recognised in development literature. It is not enough, for instance, to distinguish between 'bad' social capital and 'good', as if the social capital possessed by gangsters and warlords has a corrosive quality that sets it apart from that amassed in rural rotating credit schemes or mutual aid societies, such as the aforementioned burial societies. Such a distinction depends ultimately on a rather romantic and significantly ahistorical conception of poor or rural communities as 'cohesive collectivities' that can be

conceptualised without reference to antagonism, conflict or social power (Popkin, 1979; Scott, 1985). Such conception carries with it risks that could, for example, lead to a blindness to the highly gendered ways in which 'community traditions' shape the life choices of the people dependent on these relationships.

Secondly the notion of a 'Faustian Bargain' in which people enter knowingly into relationships of dependency, buying short-term security at the cost of long-term poverty oversimplifies the nature and the terms of the trade-offs that are involved in the complex processes of exchange, support and contestation depicted here. Much more lies at the root of these dependency relations than the need for security, and often there is no prospect for long-term escape from poverty to be given up in the first place. Rather than a de-natured and a-contextual framing of relationships of dependency and power in what seems to be a kind of soft rational-choice framework, what is needed is a powerful account of the very particular internal dynamics of these relationships. Here attention needs to be paid both to the ways in which power relations are rooted in access to key resources (land, patronage, labour) and the discursive practices, cultural repertoires and identity resources which underpin how claims and counter-claims are negotiated and ultimately realised - and how these in turn, lead to particular groups being marginalised and disempowered, trapping them in long term poverty.

### **Implications for poverty reduction**

One of the defining features of the climate for present day social research is the requirement that any descriptive or explanatory account - and in particular any critique of core concepts - comes neatly packaged with a set of policy implications. This can often be problematic, especially if this requirement acts to divert attention away from the argument's critical edge and to deflect it safely back into the manageable field of orthodox development practice. Yet an awareness of the often very material consequences of theory lies at the heart of our critical enterprise here. Theoretical and analytical paradigms function to delimit the terrain of the sayable and visible, defining the key questions of the day in any field, and 'social capital' is no exception. There is profit in attending to these limits, highlighting the broader narratives within which particular concepts find their place. We close therefore with a brief consideration, firstly

of the relevance of the complex phenomena described here for those who are concerned with poverty reduction and social policy - and secondly, of the politics involved in the framing of these phenomena as examples of 'social capital' in the first place.

Substantively then, the case studies described highlight the need for interventions and policies to be shaped by an awareness of the central role inter-household and intra-household power relations play in livelihood strategies and the social logic of poverty traps. Social capital is not just a 'good' that needs to be maximised. The key issue is to understand who benefits, and who does not, from the kinds of exchanges and relationships 'social capital' makes possible (see Rangasami, 1985; Pottier, 1999 on asset transfers during periods of prolonged food insecurity). Perhaps the most important *general* lesson that can be drawn at this level is that if we want social capital to exist in ways that benefit the poor and marginalised, we need social and economic policies and programmes that aim to reduce vulnerability and extreme inequality, minimising thereby people's need to depend on potentially exploitative social, cultural and economic relationships. Whilst vulnerability-reduction policies and programmes are already in place in the context of South Africa, other factors, including widespread corruption in the social welfare system, continued underinvestment in the rural economy and problems associated with traditional authority and land tenure remain fundamentally disempowering and continue to undercut any gains that could be made. This posits a skewed access to the state for the poorest and to the vulnerability-reduction entitlements (in the form of welfare grants) that the state supports. For the better off, the ability to 'read' the state and negotiate its bureaucracy has a strong orientation to the social capital that one has and which manifests itself in social mobility and certain literacies and competencies, such as how to negotiate the social welfare system or capitalise on an economic opportunity.

This highlights a set of secondary meta-issues about the place of social capital in development discourse and its role in the hidden politics of theory production. At one level, as Eyben (2000) has pointed out, 'social capital' is one of the terms that has allowed global donor institutions to give 'the social' some recognition in their largely economic arguments about poverty reduction. At another level, as Fine (2003a, 2003b) argues, this recognition is

highly limited and carries with it some problematic ideological baggage, a baggage that equally afflicts notions of participation, social exclusion and community development. In particular, a concern with 'social capital' is often linked to highly ideological and political programmes that emphasise the need to 'roll back' the state and its bureaucracy and to place economic growth, free trade, competition and entrepreneurship centre-stage in poverty reduction strategies. The notion in some South African quarters that the 'second economy' should become more 'self-reliant' and dynamic is a case in point (C. Rogerson, 1991; C. Rogerson and J. Rogerson, 1997).

The case studies described above show how central access to public goods and cash transfers are to the accumulation of social capital and to people's ability to avoid becoming trapped in highly exploitative local dependency relationships. As such, this paper is in some degree an attempt to contest the term - not rejecting it tout court as Fine (2003a, 2003b) does but using it in an analysis that highlights the structural nature of poverty. The success of such attempts at contestation depends partly on the ability to engage appropriate qualitative methodological tools that allow subsequently for the formulation of counter-hegemonic narratives that give rise to persuasive alternative accounts of how to understand poverty in society. We believe that - unlike terms such as 'social exclusion' that are thoroughly entangled in deeply problematic, normalising accounts of social power relations, 'social capital' may provide some foothold for critical engagement, and therefore some leverage for critical debate. Such a critical engagement requires above all, that we highlight the roots of chronic and structural poverty in people's adverse incorporation into unequal economic and social power relations - *and* that we focus at the same time, on the complex interactions that enable people ceaselessly to contest these relations and therein attempt to change their own histories.



## Notes

1. This paper draws upon data from two DFID-funded research programmes, the Chronic Poverty Research Centre, based at The University of Western Cape (see [www.chronicpoverty.org/cp3.htm](http://www.chronicpoverty.org/cp3.htm)) and the Information Society Research Group, which is a collaboration of four universities studying the role of information, communication and technology in poor communities (see [www.isrg.info](http://www.isrg.info)). Research, by both programmes, was conducted in urban Cape Town and rural Eastern Cape and for the purposes of anonymity both place names and the names of individual informants have been altered.

2. The Bantu Labour regulation Act of 1968 forced employers to issue contracts for a maximum of 12 months only to black labour. Contracts could be renewed in the designated 'homelands' of the workers, thus forcing them, periodically, to return to areas such as the Transkei and Ciskei and in the process denying them the opportunity to obtain Section 10 (1) (b) rights to permanently reside in urban areas. Section 10 rights to reside in urban areas were conventionally granted after 10 years ongoing employment with a single employer in an urban area (Clark and Worger, 2004).

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