

Unravelling chronic poverty in South Africa: Some food for thought

ABSTRACT

This paper provides an overview of CPRC research into chronic poverty in a post-Apartheid South Africa. This research consists of an overview study within the national context, in-depth household livelihood surveys, and in-depth studies into specific aspects of chronic poverty. In the household livelihood survey, particularly attention was paid to the following: (i) livelihood assets, needs and strategies, (ii) health status and assets (including anthropometrical measurements), and (iii) food security and nutritional status issues in poor communities. In 2002 over 2000 households were surveyed in the rural Eastern Cape (Mount Frere and Xhalanga), rural Western Cape (Ceres) and urban Cape Town (Khayelitsha and Nyanga). The total number of people included in the surveys were 10 544. The in-depth studies focussed on 'Social Security' (Mount Frere), 'Food Security and Household Resources' (Mount Frere) and 'Vulnerability' (Ceres).

The paper outlines some of the key features of poverty and chronic poverty in South Africa. It discusses the research investigating the livelihood dynamics and assets of poor households in three typical South African human ecologies (a rural subsistence region - Mount Frere, a rural commercial farming district - Ceres, and a large urban area - Khayelitsha and Nyanga) and some policy recommendations to reduce and alleviate chronic poverty and its effects are made.

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TABLE OF CONTENTS

1. Introduction
2. Key Feature of Poverty and Chronic Poverty in South Africa
 - 2.1 Historical Developments
 - 2.2 Current Developments
3. Methodology
 - 3.1 Mount Frere
 - 3.2 Ceres
 - 3.3 Cape Town Urban (CTU)
4. Livelihood Assets
 - 4.1 Shelter
 - 4.1.1 Housing
 - 4.1.2 Energy Sources
 - 4.1.3 Sanitation and Water
 - 4.1.4 Goods
 - 4.2 Land, Natural Resources and Food Production Assets
 - 4.2.1 Overview of the Three Research Sites
 - 4.2.2 Access to Land and Natural Resources in Mount Frere
 - 4.2.3 Cultivation Activities in Mount Frere
 - 4.2.4 Livestock Ownership in Mount Frere
 - 4.3 Labour, Skills and Educational Assets
 - 4.3.1 Tasks Adults Perform for More than One Hour per Day on Average
 - 4.3.2 Employment Profile
 - 4.3.3 Education
 - 4.4 Financial Assets
 - 4.4.1 Income Sources
 - 4.4.2 Insurance Assets
 - 4.4.3 Expenses
 - 4.4.4 Savings and Debts
 - 4.5 Health and Nutritional Assets
 - 4.5.1 General Health Assets
 - 4.5.2 Food Assets
 - 4.5.3 Households Food Situation in Mount Frere Households
 - 4.5.4 Health and Other Social Risks in CTU
 - 4.6 Geographic Assets
 - 4.7 Security Assets and Vulnerability
 - 4.8 Social Networks
 - 4.8.1 Organisations
5. Social Grants
 - 5.1 Present National Situation
 - 5.2 Central Features of Poverty Warranting Social Security Attention
 - 5.3 Case Studies
 - 5.3.1 Mount Frere
 - 5.3.2 Ceres
 - 5.3.3 Cape Town Urban (CTU)
6. Concluding Recommendations

Bibliography

1. Introduction

During the last decade, especially since the end of apartheid in 1994, significant political gains, incremental improvements in basic social services, and continuous macro-economic growth have been achieved in South Africa. At the same time, poverty and racial economic inequality have increased, making pro-poor socio-economic growth one of the greatest challenges facing the new South Africa. However, both the extent and the multi-dimensional dynamics of poverty in general, and chronic (i.e., long durational) poverty in particular, are often not well understood.

This paper outlines some of the key features of poverty and chronic poverty in South Africa. It discusses the research investigating the livelihood dynamics and assets of poor households in three typical South African human ecologies (a rural subsistence region, a rural commercial farming district and a large urban area) and some policy recommendations to reduce and alleviate chronic poverty and its effects are made.

2. Key Features of Poverty and Chronic Poverty in South Africa

2.1 Historical Developments

Three key historical developments shaped the dynamics and features of poverty and chronic poverty in South Africa, namely the colonial/apartheid destruction of rural economies, the long-term racial specific depletion of livelihood assets, and the late 20th century amelioration of unemployment amongst vulnerable communities.

Firstly, the internal dynamics of productive rural economies have been systematically eroded since 1652, creating a severe dependency of rural households on the formal urban-based economy. Whilst today many of the rural poor in Latin America, South Asia and large parts of Africa are able to rely on land-based livelihood strategies and some connection to subsistence agriculture within a relative dynamic rural economy, this is not the case in South Africa.

Secondly, the tandem racial specific colonial/apartheid disposition *and* the race-specific proletarianisation that occurred during the industrial development of the apartheid state in the twentieth century, has led to the systematic depletion of the livelihood assets of indigenous people. It also solidified their dependence on formal employment and augmented their vulnerability to impoverished livelihoods. Two major consequences of these race-specific processes have been the development of severe levels of racial inequality and racialised geographies, apparent in the spatial concentration of poverty in areas isolated from vibrant economic areas and insulated in spatial poverty traps.¹

¹ South Africa ranks as one of the most unequal societies in the world. It is generally rated as a middle-income country. These average per capita income ratings conceals the fact that a very large number of people are extremely poor while a much smaller number are extremely wealthy. There is strong evidence from various international studies that income inequality is an important factor in determining poverty outcomes. High inequality can raise serious barriers to the successful implementation of poverty reduction strategies because it can limit the poverty-reducing effects of growth. For a given rate of economic growth, poverty falls faster in those countries where inequality of income is lower. The existing high level of inequality in South Africa is a major obstacle to effective poverty eradication.

Thirdly, the contraction of the formal labour force since the late 1980s, has severed the tenuous links between many poor households and the mainstream economy, since up to one million formal sector jobs were lost. In combination, these three developments render the South African poor extremely susceptible to both severe and chronic poverty.

2.2 Current Developments

Various data sources indicate that between 45 and 55 percent of all South Africans presently live in poverty (i.e., between 20 million and 28 million people).² Moreover, it is estimated that about a quarter of all South African households are trapped in chronic poverty.³ Current developments related to the above mentioned historical features form a backdrop to understanding poverty and chronic poverty in South Africa today.

First, rural poverty is a major challenge, as over 70 percent of all poor people reside in rural areas and nearly half of the rural poor are indeed chronically poor.⁴ Moreover, there are indications from various sources that present land-based livelihood strategies/subsistence agriculture fails to contribute to the incremental uplifting of impoverished communities. Furthermore, the linkage between rural/urban poverty, and livelihoods constructed across the rural/urban divide is not clearly understood.

Second, the accumulated race-specific asset depletion has contributed to the difficulties the majority of South African poor experience presently in their effort to manage a changing socio-economic environment (e.g., increased privatisation, the expanding monetisation of social services, more cost recovery practices, labour market changes, etc.). In relation to racial inequalities the consequences of these changes has been significant and there are indications that the racialised geographies continue to extend.⁵ For example, Stats SA (2002) has found that the average income of black households fell by 19 percent between 1995 and 2000, while white household incomes rose by 15 percent after adjusting for inflation. This increased the income inequality ratio between white and black households from 4 times in 1994, to 6 times in 2000. In addition, Stats SA found that the poor became poorer between 1995 and 2000 as the income share of the poorest 50 percent of households dropped from 11.3 to 9.7 percent, with the number of people below the poverty line expanding substantially.⁶ The fall in household incomes has, to some extent, been offset by increased access to basic services (such as health, education, electricity and water) and social grant extensions.

Third, unemployment has risen rapidly in the past decade, with the official unemployment rate of 16 percent in 1995 escalating to 29 percent in 2002 (this excludes those who are too discouraged to continue to seek work actively). During this time, employers have chosen capital- rather than labour-intensive routes to competitiveness through increased mechanization. In addition, there has been a trend towards skilled labour across all sectors⁷ and a dramatic decrease in the semi-skilled mining and

² See Naledi 2003.

³ See Aliber 2003.

⁴ See Aliber 2003.

⁵ See Turok 2001.

⁶ See Stats SA 2002.

⁷ See Bhorat & Hodge, 1999

commercial farming sectors.⁸ As unemployment is a major determinant of poverty and inequality in South Africa,⁹ investigating existing employment patterns and means of creating jobs in impoverished areas will be central to this paper.¹⁰

3. Methodology

The main research sites for the current studies examining chronic poverty include three typical South African human ecologies, namely rural subsistence (Mount Frere district), rural commercial farming (Ceres townships) and urban (Cape Town) communities. The dynamic aspects of multiple livelihood strategies are central to the longitudinal studies, and this paper is based on the first phase thereof. This approach emphasizes the importance of enhancing the asset bases of the poor, and seeks to understand the multi-dimensional strategies implemented by households in order to optimally utilize their various assets.

A Household Livelihood Survey was used as the main instrument in all three research sites. Particular attention was paid to: (i) livelihood assets, needs and strategies, (ii) health status and assets (including anthropometrical measurements), and (iii) food security and nutritional status issues in poor communities.¹¹ During 2002, over 2000 households (comprising 10 544 people) were surveyed in the rural Eastern Cape (Mount Frere), rural Western Cape (Ceres) and urban Cape Town (Khayelitsha and Nyanga). This paper will use a descriptive narrative to report the findings of the Household Livelihood, other related surveys specific to the different sites, in-depth focus group discussions, semi-structured and unstructured interviews, as well as meetings with strategic informants (e.g., government officials, local political and community leaders, health workers, etc.).

As is generally the case with social research, all values are estimates in the final instance, rather than precise or even actual values. Nevertheless, given the scope and scientific rigour underpinning the data collection processes, the observations and subsequent

⁸ See Simbi & Aliber, 2000.

⁹ See Natress 2000.

¹⁰ A key determinant of whether a household stays in, escapes from, or falls into poverty, is how that household fares in terms of employment. As such, transitory poverty correlates closely with employment stability. This is partly due to the historical Apartheid processes which destroyed productive rural economies in a quest for cheap wage labour. In South Africa, access to paid employment remains the most important factor in the poverty status of households.

¹¹ In general the trained fieldworkers surveyed 23 households per day. The questionnaire consisted of the following sections:

- ?? 21 questions for each adult household member (152 variables);
- ?? 7 questions for each child (40 variables);
- ?? 24 questions on Shelter (89 variables);
- ?? 19 questions on Resources (118 variables);
- ?? 26 questions on Income (56 variables);
- ?? 46 questions on Debt and Expenses (81 variables);
- ?? 35 questions on Food Security (145 variables);
- ?? 23 questions on Geo-Social Integration (142 variables);
- ?? 30 questions on Vulnerability (81 variables);
- ?? 4 questions on Community Issues (17 variables);
- ?? 23 questions on Health Issues and HIV/AIDS (114 variables);
- ?? 7 questions on Vision, Needs and Predictions (19 variables);
- ?? 19 questions on Babies' Health Issues (117 variables);
- ?? 22 Anthropometrical Measurements (33 variables);
- ?? 11 questions on General Household Data (15 variables).

conclusions can be used to enrich our current understanding of the socio-economic dynamics of the poverty and chronic poverty in South Africa today.

3.1 Mount Frere

The Mount Frere district is situated in the north-east region of the Eastern Cape. This area is home to approximately 1.2 million people and is generally considered to be one of South Africa's poorest and most under-resourced regions. Its social, economic and physical infrastructure is extremely rudimentary. The Mount Frere district is one of four in Region E. The total population covered by the district health services is estimated to be about 280 000.¹² The Mount Frere district has its own particular characteristics. It is, nevertheless, an example of a typical South African human ecology, namely a rural subsistence economy in a geographical area that was formerly part of the so-called 'bantustans'.

Three studies and various primary observations (e.g., in-depth focus group discussions, and meetings with governmental officials and community leaders) form the basis of this paper. The three studies comprise of the already mentioned in-depth *Household Livelihood Survey*, as well as an in-depth *Food Security and Household Resources Survey* and an in-depth *Social Security Survey*. In addition, a number of focus group discussions and unstructured interviews were conducted in 2002. The Household Livelihood Survey was performed from March to May 2002, sampling 733 households in the district for the purpose of a representative sample. The number of adults included was 2 599, the number of children was 2 793, and the overall total amounted to 5 392 people. The average number of people per household in Mount Frere was 7.4.

For the purpose of the Food Security and Household Resources Survey, performed in August 2002, a representative sub-sample of 62 households was selected from the Household Livelihood Survey. These households were visited on a daily basis during August 2002. Particular attention was given to the daily food consumption, income, expenses and the health situation within each household.

The Social Security Survey was conducted with 60 households that differed from those in the Food Security Survey, in June and July 2002. It was a follow-up to a similar study conducted with the same households by the School of Public Health of the University of the Western Cape in 2000. The main focus of this study was on social security matters.

3.2 Ceres

Ceres is an agricultural town 130 km north-east of Cape Town in the Witzenberg district. The district is famous for its export deciduous fruit industry and is generally considered a wealthy area with a well developed infrastructure. Around the former white town of Ceres there are former coloured and black group areas or township settlements, the racial character of which remains unchanged to the present.

The Household Livelihood Survey was performed in Ceres from May to June 2002, sampling 543 households. Sampling was performed using four exact Enumerator Areas

¹² See Puoane, Sanders, Chopra, Ashworth, Strasset, McCoy, Zulu, Matinise & Mdingazwe, 2001.

(two in the coloured townships of Bella Vista and Op-die-Berg, and two in the black township of Nduli). The Nduli settlement lies approximately three kilometres outside the town of Ceres. One of the Enumerator Areas selected in Nduli included the so-called informal settlement of Mooiblom. The chosen sampling method does not ensure a representative sample, but it does make the dataset directly comparable with the national census of 2001. The number of adults included in the sample was 1 347, the number of children was 921, and the overall total amounted to 2 268 people. The average number of persons per household was 4.2.

An in-depth Vulnerability Study was performed in Ceres between June and July 2002. A random sub-sample of 36 households was selected from the Household Livelihood Survey in the informal settlement of Mooiblom. These households were visited for in-depth semi-structured interviews. Nearly all of Mooiblom's residents originated from the Eastern Cape region of South Africa and were Xhosa speaking. The Vulnerability Study paid particular attention to the contribution community-based arrangements make to livelihood strategies.

3.3 Cape Town Urban (CTU)

Cape Town has a strong and relatively varied economy with a monocentric structure, characteristic of South African cities in general. It is also an extremely polarised city with affluent suburbs and economic centres on the one hand and overcrowded, impoverished communities in the townships on the other.¹³ For the purpose of the Cape Town Urban study (CTU) the area of Khayelitsha and Greater Nyanga was selected. The absolute majority of Cape Town black population lives in the area. The total population of Khayelitsha and Greater Nyanga (as extrapolated from the old health sub-districts) is 711 244 people (i.e., close to three quarters of a million people).

The Household Livelihood Survey was performed from August to November 2002, randomly sampling 624 households for the purpose of a representative sample. The number of adults included was 1 668, the number of children was 1 216, resulting in an overall total of 2 884 people. The average number of people per household was 4.6. A number of in-depth focus group discussions and in-depth unstructured interviews took place during 2002.

¹³ See Turok, 2001.

4. Livelihood Assets

4.1 Shelter

Nearly all Mooiblom residents migrated from the Eastern Cape in search of securing employment in the Western Cape and most residents are prepared to endure extremely harsh living conditions in hope that they would eventually find work. To quote a Mooiblom resident, “This is not a house – just somewhere to hide.”

4.1.1 Housing

The construction material used for housing differs between the three sites. In *Mount Frere* mud is the main construction material (87 percent), with corrugated iron (71 percent) and straw (27 percent) used mostly for roofing. Eight percent of homes have a ceiling. The homes of coloured households in *Ceres* are mostly constructed with blocks (72 percent), whilst black homes use more wood (48 percent), blocks (31 percent) and corrugated iron (15 percent). Asbestos (67 percent) and corrugated iron (31 percent) are the main roofing material, and 24 percent of all houses feature ceilings. Housing in the *Cape Town Urban (CTU)* townships is constructed with corrugated iron (41 percent), blocks (26 percent) and wood (14 percent). Roofing materials consist of corrugated iron (70 percent) and asbestos (21 percent). Nineteen percent of homes have a ceiling.

At least two thirds of homes across all sites were found to be susceptible to water damage, and the majority to fire and wind damage. Most households in Ceres and CTU have access – legal or otherwise - to electricity (83 percent and 81 percent respectively), compared to only 9 percent in Mount Frere. (See Table 1 for number of rooms per household across the different sites.)

Table 1: Number of Rooms per Households

Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Rooms in household	%	%	%
1 – 2	14	18 (<i>B = 40; C = 7</i>)	42
3 – 4	37	68 (<i>B = 51; C = 76</i>)	45
5 – 6	28	10 (<i>B = 8; C = 10</i>)	12
7 or more	21	4 (<i>B = 1; C = 6</i>)	1
Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Rooms used for sleeping	%	%	%
1 – 2	55	91	81
3 – 4	35	8	18
5 – 6	7	1	1
7 or more	3	-	-

Note. B = black households; C = coloured households.

4.1.2 Energy Sources

The type of fuel used for cooking differs significantly across all three sites as can be seen from Figure 1 and Table 2 below.

Figure 1: Fuel Used for Cooking Across the Three Sites

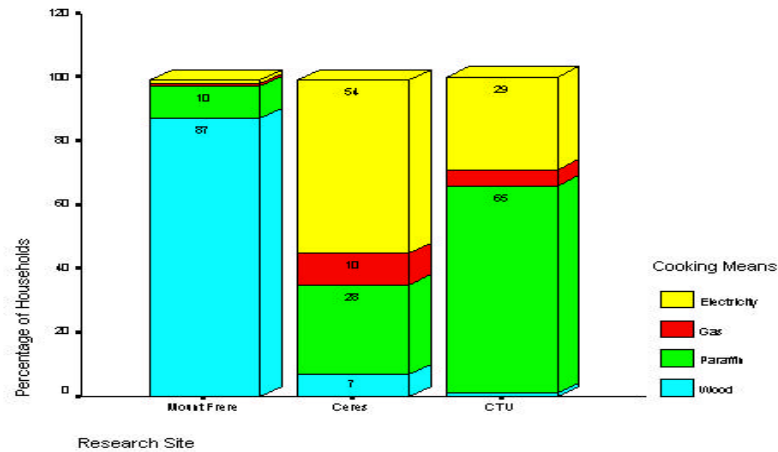


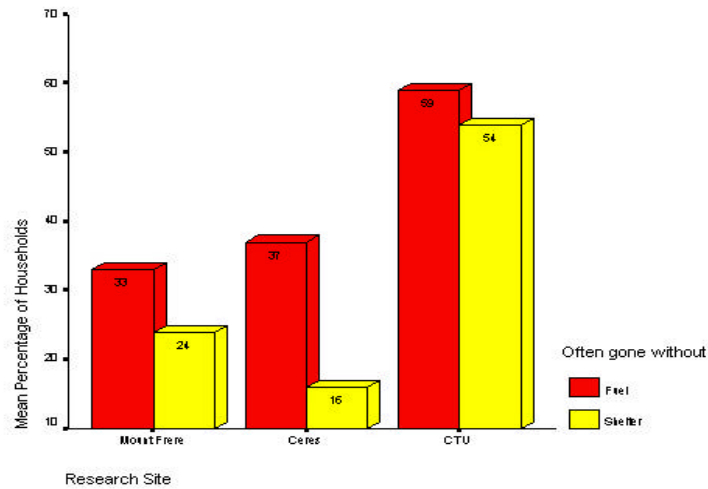
Table 2: Type of Fuel Used for Heating

Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Fuel used for heating	%	%	%
Wood	88	48 (<i>B</i> = 35; <i>C</i> = 54)	1
Coal	1	0	0
Paraffin	9	16 (<i>B</i> = 46; <i>C</i> = 1)	80
Gas	0	1	1
Electricity	1	27 (<i>B</i> = 7; <i>C</i> = 37)	11
Other	1	8	7

Note. B = black households; C = coloured households.

The vast majority of *Mount Frere* households use wood for cooking and heating, with only 1 percent accessing electricity. *Ceres* households use electricity most frequently for cooking (54 percent), but this is mainly due to coloured households, where 78 percent have an electric stove, compared to 8 percent of black households. Similarly, 37 percent of coloured, and only 7 percent of black households use electricity for heating. Instead, black households rely heavily on paraffin (78 percent for cooking and 46 percent for heating). Although the majority of *CTU* households have electricity, paraffin is mostly used for heating and cooking because it is considered to be cheaper than electricity. Besides the negative health and environmental consequences, this practice also increases the risk of accidents and fire. *CTU* households appear to be more vulnerable in terms of maintaining adequate fuel and shelter. Fifty nine percent of *CTU* households have sometimes or often gone without any fuel, compared to 33 percent and 38 percent of *Mount Frere* and *Ceres* households respectively. Furthermore, 54 percent of *CTU* households have “sometimes” to “often” had inadequate shelter, whilst the percentages are significantly lower in *Mount Frere* and *Ceres* at 24 and 26 percent respectively (see Figure 2).

Figure 2: Comparing the Extent of Inadequate Shelter and Fuel Across the Three Sites



There is a significant difference between the black and coloured communities in Ceres, with 55 percent of black households reporting to have gone without fuel sometimes to often, compared to 28 percent of coloured households. Even more pronounced, shelter was stated to be inadequate in 62 percent of black households, and only in 1 percent of coloured households (see Tables 3 and 4). It is apparent that the black Ceres community experiences far greater needs regarding access to fuel and adequate shelter than the coloured community.

Table 3: Percentage of Households Devoid of Fuel for Heating and Cooking

Research Site Gone without fuel for heating and cooking	MOUNT FRERE %	CERES %	CTU %
Never	57	52 (B = 36; C = 60)	25
Rarely	10	11 (B = 9; C = 12)	16
Sometimes	27	22 (B = 28; C = 19)	38
Often	6	15 (B = 27; C = 9)	21

Note. B = black households; C = coloured households.

Table 4: Percentage of Households Devoid of Adequate Shelter

Research Site Gone without adequate shelter	MOUNT FRERE %	CERES %	CTU %
Never	71	82 (B = 50; C = 98)	30
Rarely	5	3 (B = 7; C = 0)	16
Sometimes	11	4 (B = 10; C = 0)	17
Often	13	12 (B = 52; C = 1)	37
Don't know	0	0	1

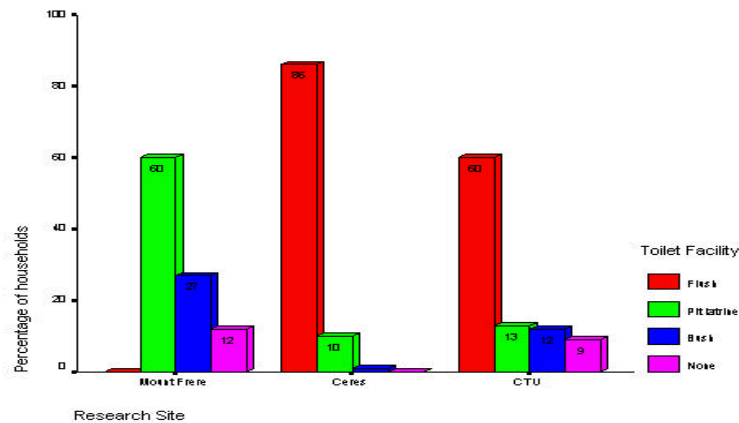
Note. B = black households; C = coloured households.

4.1.3 Sanitation and Water

Sixty percent of *Mount Frere* residents have access to a toilet, either a pit latrine (43 percent) or a ventilated pit latrine (17 percent), whilst 39 percent have no accessible toilet. Virtually all of *Ceres* coloured households have flush toilets (98 percent), but only 62 percent of black households do, and most of the others use a pit latrine. Sixty

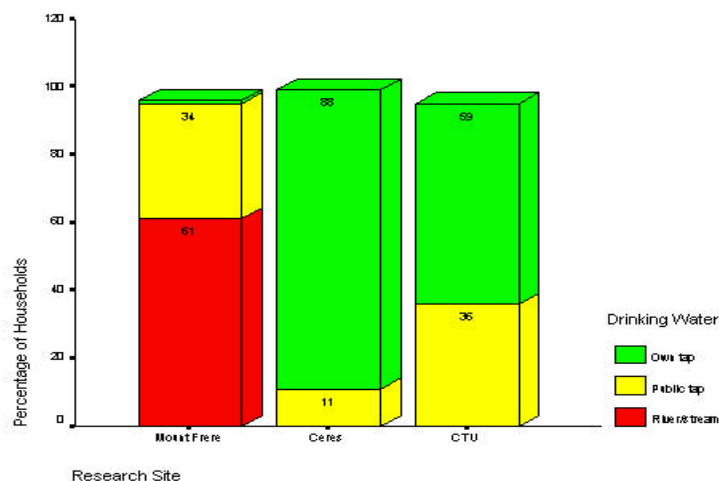
percent of CTU households have access to a flush toilet, 13 percent to pit latrines and 11 percent to bucket toilets. Seventeen percent of households have a toilet inside their house, whilst 30 percent of households have difficulty accessing a communal toilet, and 10 percent have no accessible toilets at all. Despite 66 percent of households featuring a hand washing facilities near their toilet, only 24 percent have soap for washing hands after toilet use (see Figure 3).

Figure 3: Type of Toilet Facility Available to Different Sites



In Mount Frere, most of the drinking water is obtained from rivers or streams (61 percent), with only 1 percent of household having their own water tap at their home. Water access at the other two sites follow the opposite pattern, with 88 percent of Ceres homes and 59 percent of CTU households featuring their own water taps, whilst no drinking water is derived from rivers or streams. Ninety six percent of coloured homes in Ceres obtain water from a tap inside their homes compared to 32 percent of black homes. Water from public taps is the second highest drinking water source in all three sites (see Figure 4 below).¹⁴

Figure 4: Sources of Available Drinking Water Across the Three Sites



¹⁴ In CTU households covered plastic containers are usually used for water storage inside the house (64% of households), with 19% of households using uncovered containers.

Refuse management practices differ between the ‘deep rural’ Mount Frere district, the rural townships of Ceres and the Cape Town urban townships as can be seen from Table 5 below.

Table5: Type of Refuse Disposal

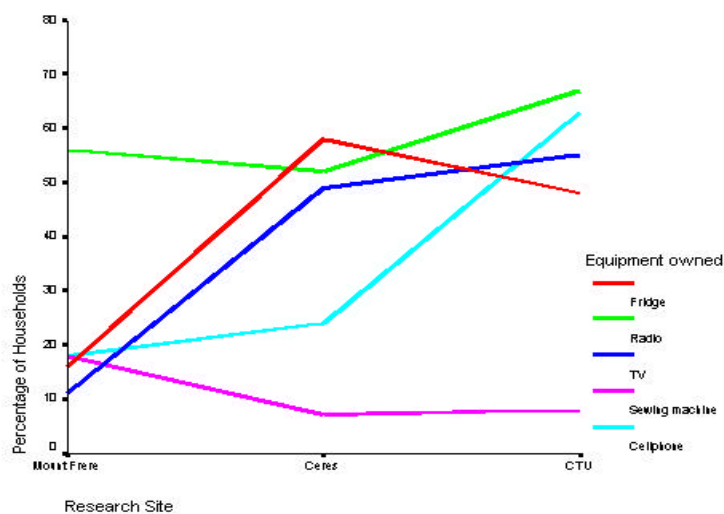
Research Site	MOUNT FRERE	CERES	CTU
Disposal of refuse	%	%	%
Dumped outside	25	0	1
Burnt	59	0	1
Buried	13	0	1
Removed 1x week	0	98	89
Removed 1 x month	2	2	5

In conclusion, whilst housing appears to be slightly better in Mount Frere compared to the other sites, Ceres and CTU receive better municipal service and they are better off both in terms of sanitation (flush toilet) and refuse removal. Most Ceres and CTU residents are also able to access electricity and tapped water. However, it is important to distinguish between black and coloured communities in Ceres, since there are stark differences between the two, with the coloured households featuring by far the best shelter compared to the black households in all three sites.

4.1.4 Goods

The most frequent piece of equipment present in all households was a stove, which tends to be a gas stove in Mount Frere (76 percent of households), an electric stove in Ceres (60 percent) and a primus stove in CTU (84 percent). Apart from this, fridges, radios, televisions, sewing machines and cell phones are amongst the five most regular goods found in households. Fridges and televisions were found mainly in Ceres and CTU, where electricity is more accessible. Cell phones are mostly found in CTU households. Sewing machines are the only equipment more frequently available in Mount Frere households (see Figure 5).

Figure 5: The Most Common Working Pieces of Equipment Present in Households



Landline telephones and cars/vehicles were scarce in all sites, with the percentage of households accessing landline telephone being 2 percent, 14 percent and 17 percent for Mount Frere, Ceres and CTU respectively. Similarly, 5 percent of Mount Frere households, 11 percent of Ceres residents and 7 percent of CTU households owned a vehicle (see Table 6).

Table 6: Possession of Working Equipment/Goods

Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Equipment (working)	%	%	%
Refrigerator	16	58 (B = 54; C = 64)	48
Radio	56	52 (B = 39; C = 59)	67
Television	11	49 (B = 43; C = 52)	55
Coal stove	10	12 (B = 4; C = 16)	1
Electric stove	5	60 (B = 22; C = 79)	42
Primus stove	30	11 (B = 27; C = 3)	84
Flame/gas stove	76	45 (B = 82; C = 25)	13
Microwave oven	1	9 (B = 4; C = 12)	8
Telephone (landline)	2	14 (B = 10; C = 15)	17
Cellular phone	18	24 (B = 30; C = 21)	36
Vehicle/car	5	11 (B = 9; C = 12)	7
Sewing machine	18	7 (B = 4; C = 9)	8
Other	3	19 (B = 2; C = 28)	1

Note. B = black households; C = coloured households.

In conclusion, it is apparent that residents across all sites are poor in terms of goods. The inaccessibility of electricity in Mount Frere makes electrical appliances such as fridges and televisions very scarce. The low vehicle/car ownership found in all sites enforces a high dependency on public transport, with these costs imposing a major burden on the poor and impairing their livelihood efforts significantly particularly in the wake of Apartheid spatial planning (see section on Geographical Assets further on).

4.2 Land, Natural Resources and Food Production Assets

4.2.1 Overview of the Three Research Sites

Livestock ownership (including poultry and large livestock – cattle, goats, sheep and pigs) is extremely rare amongst Ceres households with only 3 percent keeping chickens and 1 percent owning large livestock. The percentage of households keeping livestock in Mount Frere and the CTU can be seen from Table 7 below.

Table 7: Percentage of Households Keeping Livestock Across the Three Sites

Highest number	Mount Frere	Percentage of HHs	CTU	Percentage of HHs
1.	Chicken	83	Chicken	11
2.	Goats	52	Cattle	9
3.	Cattle	50	Goats	8
4.	Pigs	49	Pigs	7
5.	Sheep	16	Sheep	7

Note. HH = households.

Field cultivation also takes place predominantly in Mount Frere, with 88 percent of households reporting the cultivation of maize, as opposed to 7 and 2 percent in Ceres and

CTU. The cultivation of grains, vegetables and fruit are progressively less frequent than maize cultivation in Mount Frere, whilst vast majority of Ceres and CTU households do not engage in these cultivation activities (see Table 8), whilst the number of households in CTU with livestock appears to be relatively large the stock numbers in the households that do keep livestock are very low, or their livestock is often kept far away from their homes.

Table 8: Cultivation and Use of Grains, Vegetables and Fruit

Research Site	MOUNT FRERE %	CERES %	CTU %
Grains: own use	83	3	1
Grains: to sell	1	-	0
Grains: to give away	0	-	-
Grains: Don't have	16	97	99
Vegetables: own use	72	14	1
Vegetables: to sell	3	-	1
Vegetables: to give away	0	-	-
Vegetables: Don't have	25	86	98
Fruit: own use	34	3	0
Fruit: to sell	2	-	1
Fruit: to give away	1	-	-
Fruit: Don't have	64	97	99

The utilisation of land, together with food production and livestock ownership in Mount Frere, as a rural subsistence area, warrants more detailed attention.

4.2.2 Access to Land and Natural Resources in Mount Frere

The vast majority of Mount Frere households have direct access to land, and most have access to garden plots, grazing land and fields for cultivation. Eighty seven percent have a garden plot, 75 percent access to grazing land, and 63 percent have use of fields for cultivation. However, it appears that certain natural resources are under-utilised for productive activities, despite people's direct access to land.

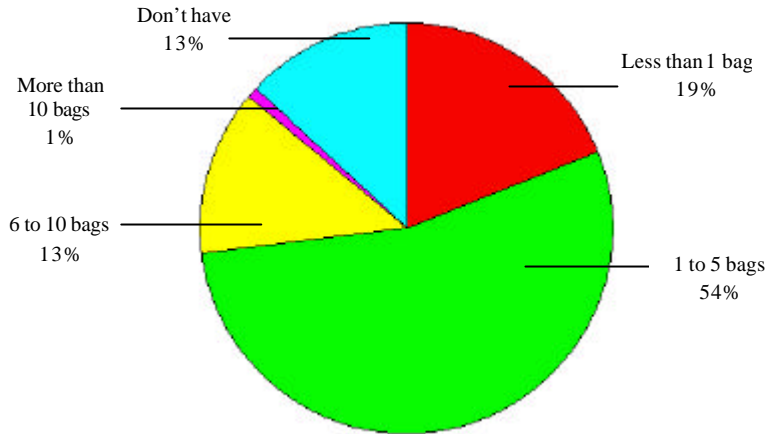
Obtaining sufficient firewood and water emerged as major problem areas. Whilst access was only inadequate for 27 percent (wood) and 16 percent (water) of households, collection was mostly difficult and time consuming. Thirty three percent (20 percent of men, 43 percent of women) of adults spend more than one hour per day collecting firewood and 27 percent (8 percent of men, 40 percent of women) in fetching water for their households. Most households obtained drinking water from rivers or streams (61 percent), whilst a third (34 percent) used a public tap for drinking water. Springs, boreholes and rainwater tanks were used by 1 to 3 percent of households, and 1 percent of homes featured a hand tap at home (see again Figure 4). Seventy one percent of households reported times when they had no clean drinking water. Of these households, more than half (51 percent) indicated that this occurred frequently.

4.2.3 Cultivation Activities in Mount Frere

Eighty eight percent of Mount Frere households cultivate maize, which is used mostly for their own household. Thirty two percent reported that they share their harvest with others, 18 percent engaged in very limited trading, and 7 percent sold some of their

produce. Figure 6 depicts the harvest quantities of the previous year (2001) as reported by households.

Figure 6: Maize Harvest Quantities During 2001



From the total reported maize production it has been estimated that production was approximately 19kg per person during 2001. Research by McAllister (2000) explored the difficulties with measurement of maize yields in the rural Eastern Cape. The argument that there is a serious underestimation of the productivity of farming households might well be true and the reported harvest must be viewed as such. However, the supplementary argument that many rural households are effectively self-sufficient in their staple food was not the case in the Mount Frere district. During three different periods (March to May, June to July, and during August) and using various research tools there was a scarcity of all staple foods, including maize, in the majority of households (see section on Household Food Situation below for more detail). These observations are congruent with 87 percent of households reporting that they relied on bought (not self produced) maize throughout the year, and only 5 percent of households was self sufficient for more than 6 months a year. Furthermore, food expenses accounted for 44 percent of total households expenditure. This was even higher than 39 percent found using the same survey tool in the urban areas of Khyelitsha and Nyanga.

The utilisation of other kinds of produce, such as grains and vegetables, follow a similar pattern to that of maize cultivation. Eighty three percent of households grow grains for own use and only 1 percent is sold (16 percent of households do not grow grains). Similarly, 72 percent of households grow vegetables for own use and 3 percent for the market (25 percent do not grow vegetables). Fruit cultivation is rare (34 percent of households), and only 2 percent sell some of their produce (64 percent do not grow fruit).

4.2.4 Livestock Ownership in Mount Frere

Poultry is the most frequent livestock amongst Mount Frere residents, with 83 percent of households owning an average of 8 chickens per household. Approximately half of the households keep goats (52 percent), cattle (50 percent) and pigs (49 percent), whilst only few households own sheep (16 percent), horses (12 percent) and donkeys (5 percent).

The average number of these livestock per household are 4.4 goats, 2.6 cattle, 1.2 pigs and 1.9 sheep. Twenty seven percent of households have no cattle, sheep, goats or pigs.

The distribution of ownership of large livestock (sheep, pigs, goats and cattle) was found to be significantly skewed, with the top 10 percent of sheep, pig, goat and cattle owners keeping the majority of animals, and the top 33 percent owning the absolute majority of large livestock. This can be seen in Table 9 below.

Table 9: Livestock Ownership Percentages Within the Categories

Ownership percentage of cattle, goat, sheep and pig	Cattle	Goats	Sheep	Pigs
Top 10 percent	47%	50%	88%	60%
Top 33 percent	92%	93%	100%	78%

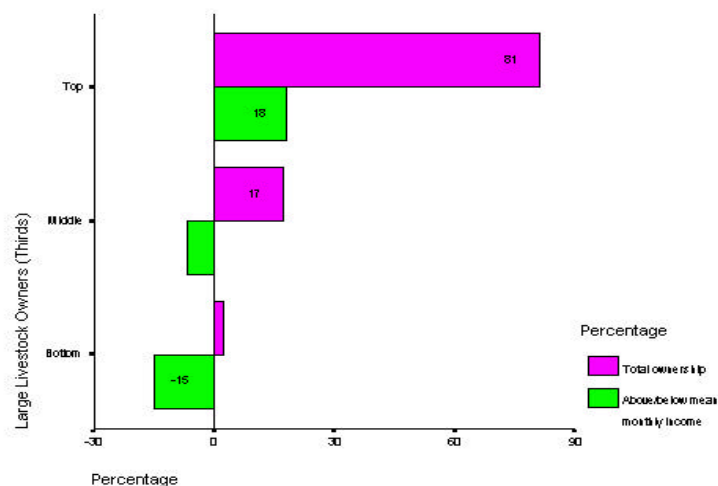
When all cattle, goats, sheep and pigs (n = 7 425) are combined, the top 50 percent of owners keep 91 percent (i.e., an average of 18.5 large livestock per household), whilst the bottom 50 percent keep only 9 percent (i.e., 1.7 large livestock per household). Using the total large livestock ownership as a basis enabled the following comparisons between livestock ownership categories and general household monthly incomes (see Table 10).

Table 10: The Distribution of Large Livestock Ownership and Income Comparison

Owners of large livestock	Percentage of total large livestock ownership	Percentage above or below average monthly income
Bottom 33.3 percent	2%	- 15%
Middle 33.3 percent	17%	- 7%
Top 33.3 percent	81%	+ 18%

The relationship between income categories and large livestock ownership indicated that, whilst the top 33 percent of income earners own 50 percent of large livestock, the distribution of large livestock ownership is about equally distributed in the bottom two-thirds of income earners (bottom third of income earners owned 22 percent and middle third 28 percent of large livestock) (see Figure 7).

Figure 7: Comparison of Livestock Ownership and Income Between the Top, Middle and Bottom Third of Livestock Owners



In conclusion, whilst land is accessible in Mount Frere and most households engage in garden cultivation for food and keep poultry, this does not yield enough food for families to live. On the contrary, food expenses account for the single highest monthly cost in Mount Frere households with the poorest third of households spending 81 percent of their income on food (see the sections on Expenses and Food Assets further on). Ownership of large livestock is often directly related to monthly income, and the top third income group owns the majority of the cattle, pigs, sheep and goats. However, livestock ownership at this scale does not appear to make much difference in terms of everyday survival. Thus, despite available arable land and the fact that most households indeed utilise the land, land-based livelihood strategies/subsistence agriculture as an attempt to improve food security is not successful at *present* in Mount Frere. Understanding this phenomenon is not easy, but a number of reasons are proposed. These include:

- ?? The very high dependency of the rural economy on the formal mostly urban based economy, mediated partly by urban workers with links to the rural economy. As the formal economy has shed many low skilled jobs since the late 1980s, the relative contribution of remittances to be used for agricultural purposes declined. The overall relative decline in money for input costs has seemingly undermined the utilisation of efficient land-based livelihood strategies.
- ?? An expanding monetisation of services (including health, education and transport) and the general increased monetisation of the total rural economy. This leaves people with no choice but to increase their relative participation (at the expense of subsistence activities) in the cash economy, thereby undermining land-based livelihood strategies, the social value of small-scale agriculture, as well as traditional reciprocal social relations (see sections on Expenses and Social Networks further on).
- ?? An apparent lack of farming skills, knowledge (e.g., very little crop rotation) and technical abilities (e.g., poor control over water - too much during summer months, too little during the dry season) reduce the produce and the overall inherent potential of land-based livelihood strategies is not achieved.
- ?? A poorly functioning rural economy (very poor infrastructure, no functioning markets, poor agricultural support services, etc.) tends to isolate households and hampers the multiplier effects of productive activities.

4.3 Labour, Skills and Educational Assets

Labour, skills and educational assets are central to the construction and realisation of livelihoods through human effort. The activities that flow from these assets are both reproductive (i.e., household tasks performed on a regular basis) and productive (e.g., subsistence and/or cash based work) in nature.

4.3.1 Tasks Adults Perform for More than One Hour per Day on Average

At least half of adults engage in unpaid domestic work across the three sites, whereby women perform the absolute majority of household tasks, including searching for paid work (see Table 11 below). In Mount Frere, garden work for food production, fetching wood or water and child care constitute the other main daily activities. Only 8 percent of adults search for work and 4 percent are self-employed. In Ceres, shopping (44 percent)

and child care (39 percent) are two other major activities, and to a lesser extent, searching for work (17 percent). Besides domestic work, searching for paid employment (20 percent) is the most frequent tasks CTU residents engage in (see Table 11 for detail on gender division of labour).

Table 11: Tasks Adults Perform on Average for More Than One Hour Per Day

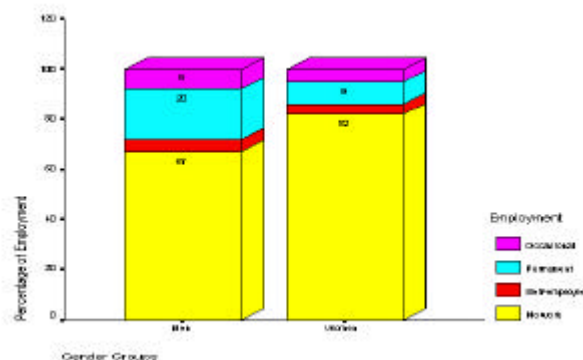
Research Site	MOUNT		FRERE		CERES		CT URBAN	
	% male n = 1113	% female n = 1486	% male n = 624	% female n = 714	% male n = 700	% female n = 962		
Home/domestic work	15	76	35	86	42	85		
Garden to produce food	57	29	21	10	19	16		
Child care	6	31	18	56	5	28		
Care for senior citizen	2	3	1	4	0	3		
Care for disabled person	0	1	0	2	0	1		
Care for sick people	0	1	0	1	0	1		
Fetching water	8	40	1	2	3	11		
Fetching wood	20	43	11	5	0	1		
Searching for work	12	5	16	18	19	20		
Student	4	2	5	4	4	6		
Self-employed (food) ¹	5	2	1	1	1	0		
Employed (food) ¹	2	1	25	23	1	0		
Self-employed non-food	1	1	4	2	2	3		
Shopping	1	0	25	60	13	13		
Other	26	13	27	18	42	17		

¹ includes farming activities.

4.3.2 Employment Profile

Three quarters of Mount Frere residents do not have any paid work, whereby the proportion of unemployment is higher amongst females (82 percent) than males (67 percent). Approximately half of those residents with paid work are employed permanently throughout the year (14 percent), consisting of twice as many men (20 percent) as women (9 percent). The remaining paid workers are employed occasionally (6 percent), self-employed (4 percent), or acquire seasonal employment (1 percent) (see Figure 8).

Figure 8: Types of Employment Between Men and Women



In the Ceres sample 59 percent of people do not have any paid work. Black Ceres residents are even less likely to have paid work (44 percent) compared to coloured residents (66 percent). Also, twice as many coloured workers (32 percent) than black

workers (16 percent) have year-long or permanent employment. Twenty-seven percent of residents have work 12 months per year, and 34 percent are dependent on either seasonal or occasional employment. Only 3 percent are self-employed. Farm labour on commercial farms and non-food factory work are the most common kinds of paid work in Ceres.

The percentage of some form of paid work is also low in CTU at 36 percent. The three most frequent sources of paid work are a permanent salary (23 percent of adults), occasional employment (8 percent of adults) and self-employment (5 percent of adults). Paid work consists mainly of factory work (13 percent of adults – 9 percent in general factories and 4 percent in food related factories), general skilled work (9 percent of adults) and domestic work (6 percent of adults).

The average total income for households with some form of wage labour is R1 463 per month, whilst households without wage labour averages R502 per month. Nevertheless, 67 percent of a wage earners do not earn enough to push their household above the poverty line, and 52 percent of wage earners receive less than R1 000 per month in wages (see section on Income further on).

In the CTU youth unemployment is particularly high as can be seen in Table 12 below.

Table 12: Unemployment Amongst Youth in CTU

Age group	Paid work	Student	Neither paid work, nor a student
18 – 25 years old	17.7%	15.7%	66.6%
26 – 30 years old	40.6%	2.9%	56.5%

Men are more likely to obtain paid work than females in all three sites. The gendered nature of employment is summarised in Table 13 below.

Table 13: Employment Situation for Males and Females

Research Site	MOUNT FRERE		CERES		CT URBAN	
	% male n = 1113	% female n = 1486	% male n = 629	% female n = 716	% male n = 700	% female n = 961
Employment situation						
No paid work	67	82	35	47	52	72
Self-employed	5	4	4	2	4	5
Yearlong employment	20	9	37	18	31	17
Seasonal employment	1	1	17	23	1	1
Occasional employment	8	5	15	13	12	5

4.3.3 Education

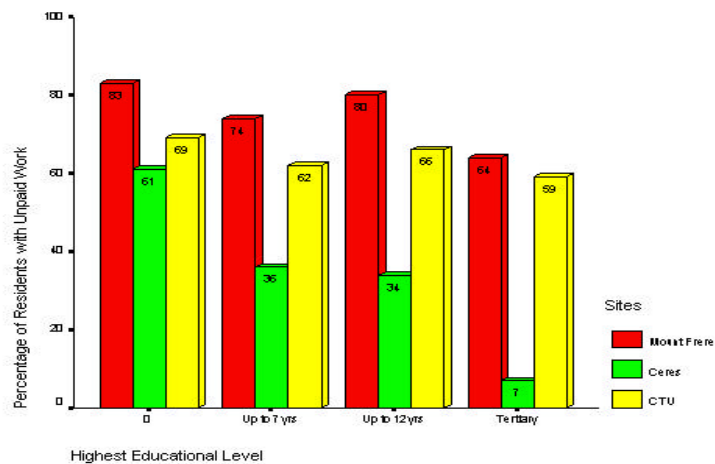
The educational level of residents is proportionally similar across the three sites, with the majority of residents having obtained between 6 and 10 years of schooling. Approximately one fifth completed matric (South African final school certificate) and tertiary qualifications (including trade certificates, etc.) are rare at 3 to 8 percent. Between 85 and 94 percent of residents in all three sites are literate (see Table 14 for detail).

Table 14: Comparison of Highest Qualification Levels Across the Three Sites

Research Site Highest Qualification	MOUNT FRERE %	CERES %	CTU %
5 years or less	23	26 (<i>B</i> = 25; <i>C</i> = 23)	19
Between 6 and 10 years	48	51 (<i>B</i> = 44; <i>C</i> = 55)	46
Between 11 and 12 years	21	19 (<i>B</i> = 22; <i>C</i> = 17)	30
Tertiary qualifications	8	3 (<i>B</i> = 0; <i>C</i> = 4)	3

Interestingly, the level of education does not seem to make much of a difference in terms of residents obtaining paid work in Mount Frere or the CTU, as illustrated in the Figure 9 below.

Figure 9: Comparing Percentages of Unpaid Work in Relation to Highest Educational Level Across the Three Sites



Residents with tertiary qualifications and those with more than 6 years of schooling have a slightly better chance of obtaining paid work in Mount Frere and Ceres, whilst CTU residents with 11 to 12 years of schooling were marginally less successful in attaining wage labour (see Tables 15 and 16).

Table 15: Comparison Between Educational Level and Paid versus Unpaid Work

Research Site Highest Qualification	MOUNT FRERE		CERES		CT URBAN	
	% unpaid n = 1953 (75%)	% paid n = 648 (25%)	% unpaid n = 788 (59%)	% paid n = 557 (41%)	% unpaid n = 1051 (64%)	% paid n = 596 (36%)
5 years or less	23	21	18	39	22	15
Between 6 and 10 years	48	50	56	45	44	50
Between 11 and 12 years	22	17	21	15	31	28
Tertiary qualifications	7	12	5	1	3	3

Table 16: Comparison Between Educational Level and Likelihood to Obtain Paid Work

Research Site Ranking	MOUNT FRERE Percentage likelihood of paid employment	CERES Black Households: Percentage likelihood of paid employment	CERES Coloured Households: Percentage likelihood of paid employment	CTU Percentage likelihood of paid employment
1	Tertiary qualification 36.2%	Standard 4 – 5 (6-7 yrs) 59.5%	Tertiary qualification 92.3%	Tertiary qualification 40.9%
2	Standard 6 – 8 (8-10 yrs) 26.1%	Standard 9 - 10 (11-12 yrs) 45.0%	Standard 9 – 10 (11-12 yrs) 80.6%	Standard 6 – 8 (8-10 yrs) 40.4%
3	Standard 3 or less (1-5 yrs) 25.8%	Standard 6 – 8 (8-10 yrs) 43.7%	Standard 6 – 8 (8-10 yrs) 71.7%	Standard 4 – 5 (6-7 yrs) 37.8%
4	Standard 4 – 5 (6-7 yrs) 25.6%	No education 42.6%	Standard 4 – 5 (6-7 yrs) 66.0%	Standard 3 or less (1-5 yrs) 36.7%
5	Standard 9 – 10 (11-12 yrs) 20.3%	Standard 3 or less (1-5 yrs) 41.0%	Standard 3 or less (1-5 yrs) 49.5%	Standard 9 – 10 (11-12 yrs) 33.9%
6	No education 17.4%	Tertiary qualification 0.0%	No education 37.3%	No education 31.2%

It can be concluded that, on the one hand, educational levels tend to be low albeit the great majority of residents in all sites are literate. On the other hand, apart from having had no education at all, or having completed some form of tertiary education, the educational level between one and twelve years does not make a real difference in the likelihood of residents in Mount Frere, CTU or for blacks in Ceres gaining access to paid employment. Ceres was indeed the only site where there was a positive relationship between years of education and employment. However, this correlation was only present in the coloured community where educational level did play a very significant role in the likelihood of getting some form of paid employment.

4.4 Financial Assets

*“Although people might love each other [in Mooiblom], they don’t love each other with money”
(Mooiblom resident interviewed 2002).*

4.4.1 Income Sources

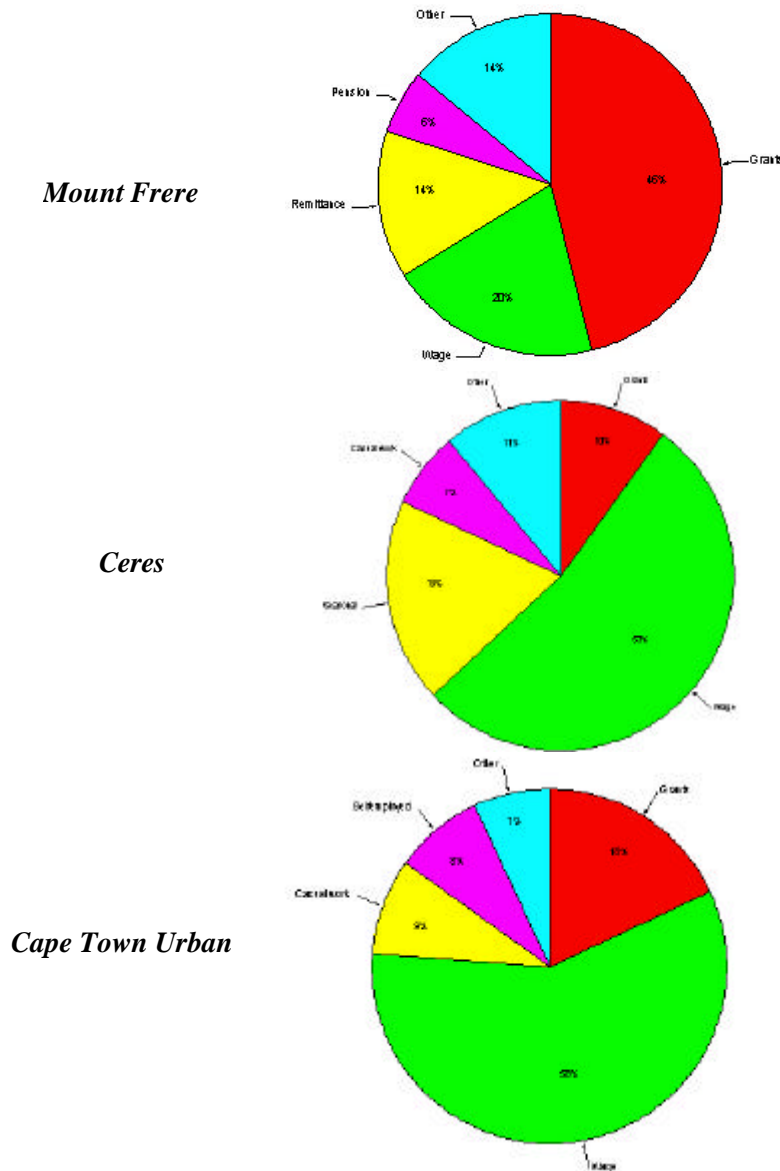
The Household Livelihoods Survey indicates that most households depend on multiple sources of income as indicated in Table 16 below. The average total income and the main sources of income differ across the sites. Mount Frere households yield the lowest average income per month at R690, followed by CTU households (R976), whilst Ceres households on average obtain R1 502. Overall, Ceres appears to be the most affluent of the three sites, but when it is divided into the black and coloured households, it becomes apparent that there is a stark difference between the two Ceres communities. Blacks have an average income of only R 1 067 per month, compared to R 1 725 of coloured residents. The five highest sources of income for each of the three sites are slightly different across the sites, as summarised in Table 17.

Table 17: The Five Highest Sources of Income Across the Three Sites

Highest source	Mount Frere	Ceres	CTU
1.	Social grants R320	Wage labour R830	Wage labour R556
2.	Wage labour R142	Seasonal work R293	Social grants R166
3.	Remittances R96	Social grants R155	Casual work R82
4.	Work pensions R40	Casual work R107	Self-employed R75
5.	Self-employed R21	Remittances R24	Work pensions R13

In all three sites, however, social grants and wage labour are the two major sources of income, if seasonal work is disregarded as an inconsistent income. Remittances and work pensions also feature amongst the main sources of income (see Figure 10).

Figure 10: Comparing Sources of Income Across the Three Sites



In Mount Frere over 90 percent of households live below the official poverty line of R352 per monthly adult equivalent. The average household income is R690 per month, which amounts to R93 per person. Seventy six percent of households generate no income from wages at all and depend mainly on social grants. Thirty five percent of household breadwinners lost a permanent full-time job during the last 5 years.

Even in Ceres, the site with the highest average income, 50 percent of households fall below the poverty line, again with striking differences between coloured and black households. Similar to Mount Frere, one third of all households (34 percent) lost a permanent full-time job in the last 5 years.

In CTU more than three quarters of households (76 percent) fall below the official poverty line, with an average monthly household income of R976. Moreover, 33 percent of households have less than R100 per month per household member. Whilst 52 percent of households generate no income from wages at all, the income stability for those that do is very volatile and precarious indeed. Thirty percent of households reported that the main breadwinner had lost his/her job at some point during the last year, and 31 percent of households suffered the permanent loss of a full-time job during the last 5 years.

Income or income substitutes in the form of gifts (e.g., money, food, clothes) or payments to households are relatively infrequent, the highest being in Mount Frere (21 percent, which also consists of the highest proportion of money gifts), followed by Ceres (12 percent) and CTU (10 percent) (see Table 18).

Table 18: Types of Gifts received by Households Across the Three Sites

Research Site	MOUNT FRERE	CERES	CTU
Type of gift	Percentage	%	%
Money	11	3	4
Food	5	3	4
Clothes	9	3	3
Furniture	1	0	1
Electrical appliance	0	2	1
Other	3	4	0

4.4.2 Insurance Assets

Burial insurance is by far the highest form of insurance/investment, and in most cases the only one, with 73 percent of Mount Frere, 54 percent of Ceres (particularly coloured households) and 62 percent of CTU households holding some form of funeral policy. One fifth of Ceres households (20 percent) also have life insurance, compared with 8 and 9 percent in Mount Frere and CTU respectively, and 10 percent also insured their possessions in Ceres, in contrast to 3 percent in Mount Frere and CTU (see Table 19 for detail). In Mount Frere there is a general tendency to invest exceptionally large amounts of money relative to income in preparation for funerals, as well as paying debts acquired through funerals afterwards.

Table 19: Types of Policies Held by Households

Research Site HH with policies	MOUNT FRERE %	CERES %	CAPE TOWN URBAN %
Burial insurance	73	54 (B = 36; C = 64)	62
Life insurance	8	20	9
Possessions	3	10	3
Disability	1	8	1
Education	2	2	1
Other policies	0	3	0

Note: B = black, C = coloured households. HH = households.

4.4.3 Expenses

Food was the highest single expense in all three sites. The six highest monthly expenses per site are listed in Table 20 and depicted in Figure 11 for each of the sites.

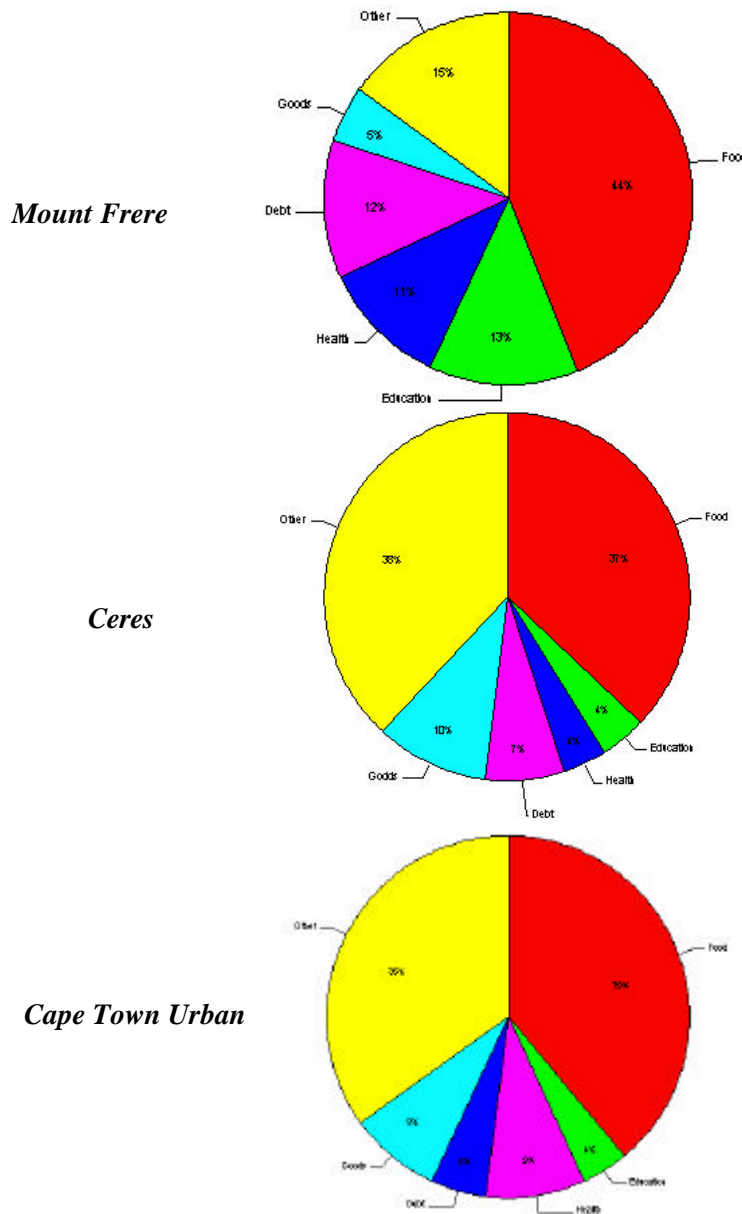
Table 20: The Six Highest Monthly Expenses

Highest expense	Mount Frere R	Ceres R	CTU R
1.	Food (44%) R310	Food (37%) R399	Food (39%) R272
2.	Education (13%) R94	Goods (10%) R108	Energy (11%) R73
3.	Debt (12%) R81	Energy (8%) R84	Health (9%) R60
4.	Health (11%) R78	Debt (7%) R78	Goods (8%) R52
5.	Goods (5%) R32	Rent (5%) R56	Debt (5%) R37
6.	Energy (4%) R31	Health (4%) R47	Support others (4%) R32

When the average income and expenses are compared for the three different sites, it is clear that there is little cushioning for extraordinary expenses, particularly in Mount Frere. Ceres appears to have more scope, but this is deceptive since approximately R400 of the monthly income is based on seasonal and casual work, leaving several months when these are not forthcoming sources of income. In addition, wage labour of coloured workers make up three quarters of the income, whereas black working household's income comprise of only one quarter of wage labour. Similarly, R85 of the monthly income in CTU is based on casual work with the same instability.

In Mount Frere food, education, debt and health expenses make up 81 percent of all expenses. This is particularly noteworthy as these expenses indicate the present failure of land-based livelihood strategies/subsistence agriculture to enable those households to be food self-sufficient. In addition, the excessive financial burden that state services (education and health) and their increased commodification place on the severely impoverished rural population, is evident.

Figure 11: Percentage of Monthly Expenses Incurred by Households Across the Three Sites



4.4.4 Savings and Debts

Households in Ceres and CTU were more likely to have financial resources such as a bank or post office account and savings/investments (see Table 21).

Table 21: Financial Resources in the Three Sites

Research Site	MOUNT FRERE	CERES	CTU
Financial resources	%	%	%
Bank/post office account	23	45 (B = 53; C = 41)	45
Savings or investments	12	24 (B = 17; C = 26)	17

The vast majority of households (between 76 and 88 percent) did not have any savings. Savings of those households able to invest ranged from less than R100 to more than R10 000 in all three sites.. Based on an estimated mean of predetermined saving categories, an approximate average monthly savings amount for households was calculated for each site. Ceres households appeared to have significantly higher savings at an average of R705 per household compared to Mount Frere (R474 per household) or CTU (R422 per household). In Mount Frere, Ceres and CTU, 88 percent, 76 percent and 83 percent of households have no form of saving or investment respectively, whereby slightly more of black Ceres households (80 percent) than coloured households (73 percent) are without savings/investments. Although the reported main purposes for saving differed in priority across the sites, it is interesting that four most frequently mentioned reasons were identical for all three regions. They are, in order of the most recurrent reasons,

1. buying food;
2. school fees;
3. health and medical care; and
4. paying debts.

It is apparent from the extensive debts the majority of households have, that people are seriously challenged to make ends meet, and debt appears to be a short-term solution to many households. Eighty one percent of Mount Frere households have incurred debt, followed by Ceres with 75 percent (68 percent of blacks and 79 percent of coloureds), and CTU with 56 percent. Mount Frere households tend to loan mostly from community members (50 percent) and the church (39 percent), a tendency not observed in the other two sites. Instead, hire to purchase comprise of the most frequent type of debt in the other two sites (Ceres 38 percent, CTU 26 percent). The second most common form of debt in all three sites is loaning from friends and family. A third type of loan in Mount Frere is from the burial society (26 percent), in Ceres it is lay-by (10 percent) and in CTU community members (19 percent) (see Table 22).

Table 22: Loan Sources in the Three Sites

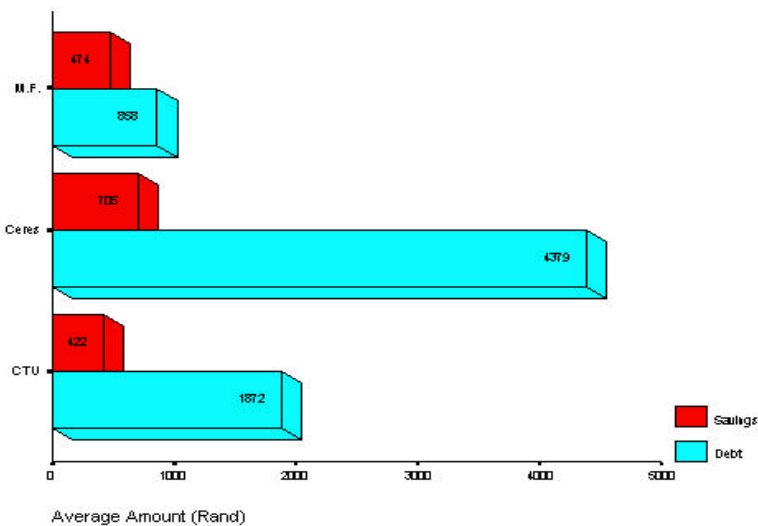
Research Site	MOUNT FRERE	CERES	CTU
Type of debt	%	%	%
Bank loan	2	6	6
Lay-bye	4	10	7
Microlender	6	5	7
Community credit org.	20	2	6
Farmer	4*	2*	2*
Community members	50	9 (B = 24; C = 1)	19
Stokvel	1	0	1
Church	39	3	7
Trade unions	3	1	2
Friends	33	12	12
Family	32	10	12
Employer	3	5	3
Burial society	26	1	12
Savings group	3	2	3
Hire to purchase	17	38	26
Fines	7	6	2
Other	11	22	8

*Note. Only those percentages with significant differences between black (B) and coloured (C) households are reported. * Usually, these are not loans but advances.*

In effect, there are little formal loans, rather, debt is often associated with good will of community members, family, friends. These money-lending practices are well-established in the informal settlement Mooibloom of Ceres. Whilst money-lenders (also called loan sharks) were widely acknowledged as sources of assistance to those in need, they were commonly viewed as a last resort. “They are helping people but I would only go to one if I was desperate” (Mooibloom resident interviewed in 2002). The interest rate of money-lenders encountered in Mooibloom was always very high and varied from 50 to 100 percent per week.

Based on an estimated median of the predetermined categories of debt, an approximate average debt figure for households was calculated for each site. Debt was by far the highest in Ceres at an estimated average of R4 379 per household, followed by CTU with R1 872, and tailed by Mount Frere with R858. Black residents are more likely to lend from community members, friends and family, whereas coloured residents tend to resort to hire purchase. The following figure relates the estimated debt average to that of savings calculated earlier (see Figure 12).

Figure 12: Relating Households Savings to Debt Across the Three Sites



Although Ceres has the largest amount of average savings per household compared to the other two sites, the extent of its debt is highly disproportional to both its savings and its income.

Consistent with previous findings on savings and expenses, the main reported reason for debt in all three sites is to buy food, pay for schooling and medical expenses, and to pay off other debts. Additional but less frequent reasons for loans include agricultural purposes in Mount Frere (34 percent of households), and paying for social occasions such as funerals and weddings (17 percent of households) (see Table 23 for detail).

Table 23: Reasons for Incurring Debts

Research Site	MOUNT FRERE Percentage of households	CERES %	CAPE TOWN URBAN %
To buy food	68	24 (B = 42; C = 15)	33
To pay rent	2	7 (B = 15; C = 2)	9
To pay for schooling	57	11 (B = 20; C = 7)	17
To pay for medical/health	36	8 (B = 18; C = 3)	15
To set up a business	5	1	5
To pay for a vehicle/car	4	5 (B = 10, C = 2)	3
To pay for feasts	17	2	11
For agricultural purposes	34	3	2
To pay other debts	16	13	27
Other	9	18	12

Note. Only those percentages with significant differences between black (B) and coloured (C) households are reported.

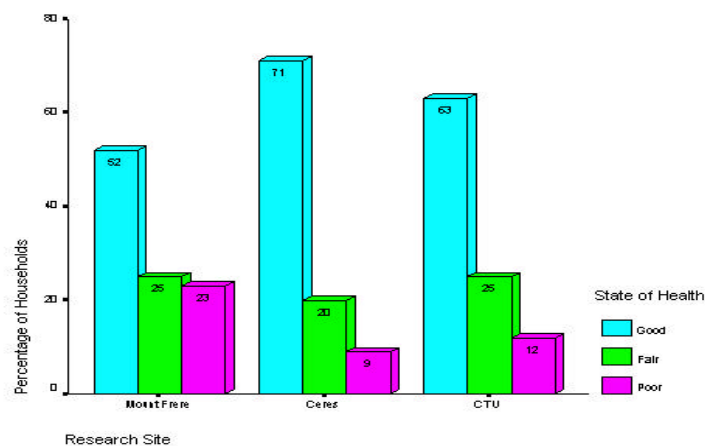
In conclusion, the general lack of money in these poor areas takes place in the context of drastic food price increases, and an expanding monetisation of services (including health, education and transport), goods and housing. These impoverished communities are excluded from the economic mainstream (due to their inability to secure stable employment), and this co-occurs with their increased incorporation into the cash economy. These dual developments result in extremely low incomes, which, relative to rising living costs, are further declining.

4.5 Health and Nutritional Assets

4.5.1 General Health Assets

Whilst more than half of Mount Frere residents (52 percent) reported to be in good to very good health, almost one fifth of residents (23 percent) described their health to be poor to very poor. In addition, 69 percent of Mount Frere residents have sometimes to often gone without medical treatment. In Ceres, 71 percent stated to be in good health and 9 percent reported poor health status, with 30 percent devoid of medical treatment. CTU demonstrated a lower percentage of people in good health (63 percent) and slightly higher percentage of poor health (11 percent) compared to Ceres, and 36 percent did not obtain medical treatment when needed. (See Figure 13.)

Figure 13: Comparing Health States of Residents Across the Three Sites



5.5.2 Food Assets

In addition to presenting the poorest level of health, 71 percent of Mount Frere households also report inaccessibility of clean drinking water, compared to 16 and 23 percent in Ceres and CTU. Furthermore, 76 percent of Mount Frere households have sometimes or often gone without enough to eat. This figure was also higher than in Ceres households (42 percent) and CTU households (69 percent).

When asked specifically about food security in the previous year, 83 percent of Mount Frere and 81 percent of CTU households indicated that there was too little food available, compared to 69 percent in Ceres. The majority of households in Mount Frere and Ceres asked for credit at the grocery stores when there was not enough food, many of the households on all sites borrowed food, and a large portion felt they could not do anything about it (see Table 23 for detail).

Table 23: Action Taken When Hungry

Research Site	MOUNT FRERE	CERES	CTU
Action taken when hungry	%	%	%
Borrowed food	50	51	33
Asked for credit at the store	58	78	32
Worked for food	12	80	13
Could not do anything	54	79	40
Other	5	87	16

Assessing the consumption of different food substances, it is again apparent that households in Mount Frere have the greatest food insecurity, followed by CTU, and Ceres households on average have the least difficulty accessing food (see Table 24 for frequency of food consumption).

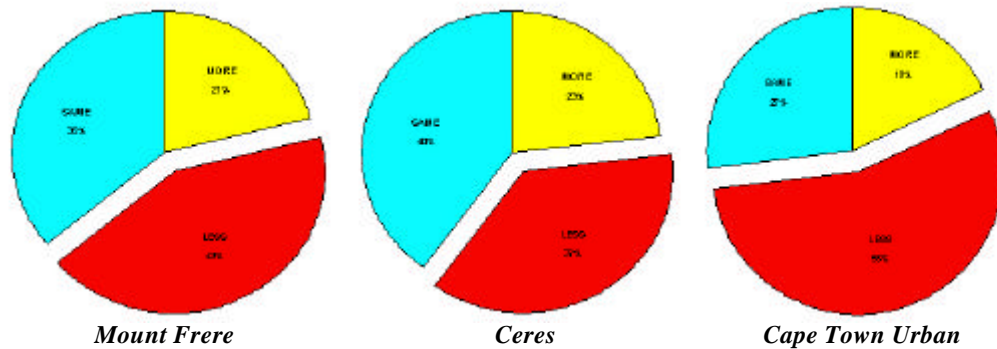
Table 24: Frequency of Food Consumption Across the Three Sites

Research Site	Mount			Ceres			CTU		
	Often (%)	Rare (%)	None (%)	Often (%)	Rare (%)	None (%)	Often (%)	Rare (%)	None (%)
Type of food consumed									
Meat	10	56	34	42	57	4	44	48	6
Fruit	20	37	40	59	36	5	48	39	8
Vegetables	63	21	26	53	44	0	62	28	6
Bread	55	27	16	91	6	2	77	19	2
Eggs	41	21	36	47	46	5	42	42	12
Peanut butter	18	15	64	21	33	33	31	21	39

Note. The highest figures in each of the frequency columns are printed bold. The 'often' category comprised of consumption of more than 3 times a week.

Between 37 and 55 percent of all households indicated that the general food consumption had been less this year compared to last year, with the highest estimation evident in CTU (see Figure 14 below).

Figure 14: Comparing General Food Consumption with the Previous Year



Given the food security problems encountered particularly in Mount Frere, more detailed food security studies were undertaken on this site, whilst in the CTU specific attention was given to health and other social risks due to the extremely high percentage of preventable, often disease-related deaths.

4.5.3 Household Food Situation of Mount Frere Households

The food situation of households was assessed during three different periods: (i) March to May, implementing the main survey in which food quantities were measured and the general food security situation assessed; (ii) June to July, using brief assessments of the household food situation; and (iii) during August, when all food in the household was recorded on a daily basis for the 31 days of the month.

The Food Security Survey confirmed observations made during the other studies. These included:

- ?? Food substances that are used to season or fry food, or used as a beverage, were available most of the time in the majority of households. These food substances also showed the highest availability in households of all foods, including salt (on average available for 29 days per month for the 31 days of August), sugar (26 days), cooking oil (26 days) and tea (23 days).
- ?? The second most frequently available food type found in households were starches, where maize was available for 23 days, samp for 22 days, and corn for 20 days a month. Other starches, such as potatoes and bread, were present on 12 days, and rice on 10 days per month.
- ?? Eggs and beans constituted the highest source of protein at an availability of 15 days per month, followed by chicken (5 days), red meat and peanut butter (3 days), and fish (2 days) per month.
- ?? Cabbage and onions were the most frequent vegetables at about 11 days per month, followed by tomatoes (6 days) and pumpkin (3 days), spinach (2 days) and carrots (1 day) was rare in all households. Similarly, fruit was infrequently available with oranges present about 6 days, apples 3 days and bananas 2 days per month. In addition, milk to drink was available 18 percent, powder milk 12 percent, margarine and butter 20 percent of the time. (See Table 25 for more detail.)

Table 25: Food Items in Order of Frequency (Food Security Survey, August 2002)

Food	Percentage of days available per month	Approximate number of days available/month
1. Salt	91.4%	29
2. Sugar	80.5%	26
3. Cooking oil	79.1%	26
4. Tea	75.9%	24
5. Maize	69.5%	21
6. Samp	67.3%	22
7. Corn	60.0%	19
8. Eggs, beans	45.0%	15
10. Cabbage	44.1%	14
11. Onions	42.3%	14
12. Potatoes, bread	38.6%	12
14. Milk in tea	37.3%	12
15. Rice, coffee	31.8%	10
16. Tomatoes	20.5%	6
17. Margarine, butter	19.5%	6
18. Oranges	18.6%	6
19. Milk to drink	17.7%	5
20. Chicken	14.0%	4
21. Powder milk	12.3%	4
22. Apples	10.9%	3
23. Red meat, peanut butter	10.0%	3
25. Pumpkin	9.5%	3
26. Other vegetables	8.6%	3
27. Spinach, bananas	6.8%	2
29. Fish	5.0%	2
30. Carrots	4.5%	1

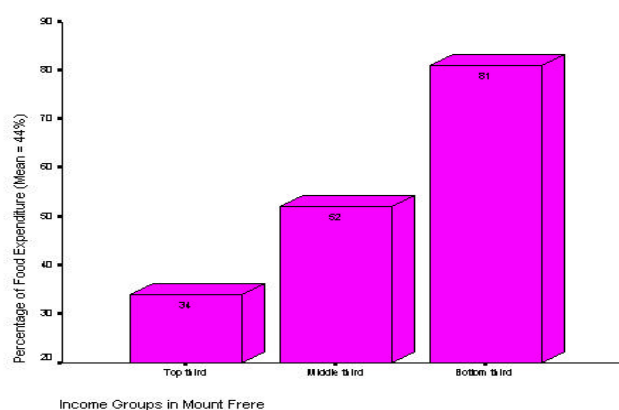
It is important to note that availability does not indicate quantity or quality of food, nor does it convey whether the food was used on that day, or whether there was sufficient for all household members.

In the Household Livelihood Survey more than half of household (53 percent) sometimes had insufficient food for lengthy periods of the year, and in 23 percent of households this situation occurred often. Overall, 83 percent of households had too little food in the previous year. In times of need, people usually ask for credit at the grocery store (58 percent), borrow food (50 percent), or work for food (12 percent). Fifty four percent felt they could not do anything but go hungry.

Compared to previous year, the majority of households (58 percent) reported that the overall consumption of meat had decreased, 21 percent felt it was the same and another 21 percent thought it had increased. Similarly, 60 percent indicated less fruit consumption, 21 percent felt it was unchanged and 12 percent thought they ate more fruit than last year. In contrast, consumption of sugar was estimated to have increased in 60 percent of households, while 18 percent thought it was unchanged and 21 percent used less sugar than last year. Consumption of vegetables and beans was estimated to have increased over the past year in 44 percent and 42 percent of households respectively. Twenty six percent reported less vegetable intake and 23 percent ate less beans, with the remaining households indicating unchanged consumption in these food types.

Overall, 43 percent of households reported a decreased consumption of food generally compared to the previous year, 36 percent thought it was similar, and only 21 percent estimated that they presently consumed more food. On average, food accounted for 44 percent of total households expenditure. For a rural subsistence area this is extremely high, particularly when considering that livelihood surveys of CTU revealed that 39 percent of the total household expenditure is spent on food. The breakdown of the rural agricultural system is furthermore illustrated by the food/total expenditure ratio of the different income groups. Whilst it is well documented that poorer households generally spend proportionally much more on food than more affluent ones, the difference between income-based groups in Mount Frere is extreme. The bottom third income group of households spends 81 percent of all expenditure on food, the middle third uses 52 percent, and the top third only 34 percent (see Figure 15).

Figure 15: Comparing Food Expenditure Between Top, Middle and Bottom Income Groups



This rural subsistence economy’s existing dependency on money generated outside the agricultural sphere is furthermore illustrated by periods of extended hunger. The apparent decline in the present general food security situation compared to that of the previous year, and its relation to the various income categories, seem to indicate that the dependency on money is increasing (see Table 26 for details).

Table 26: Income Categories, Hunger Periods, and Food Security Relative to the Previous Year.

Percentage of income earners	Percentage of households with periods of extended hunger in the last 12 months	Percentage of households whose food security situation worsened during the last 12 months
Bottom 33.3	92%	57%
Middle 33.3	83%	41%
Top 33.3	74%	30%

4.5.4 Health and Other Social Risks in CTU

Amongst the general population in Khayelitsha, a mixture of diseases (39 percent - HIV, TB and TB/HIV combined) and assault (29 percent) are the main causes of death.¹⁵ This is very similar to Nyanga range from 40 percent for HIV, TB and TB/HIV combined, to 26 percent for assault. Amongst children under 5 years of age in Khayelitsha, the most prevalent causes of death relate to preventable conditions such as HIV/AIDS (22 percent), diarrhoea (13 percent) and pneumonia (12 percent).¹⁶

Apart from the high mortality caused by preventable diseases and assault, diet also poses a major health risk to these impoverished urban communities. Despite 43 percent of CTU households experiencing food shortage at any given time of the year, obesity amongst women, which often results in high blood pressure and diabetes, emerges as a major problem. Based on the BMI scores of those women interviewed, 70 percent of women are overweight (with 24 percent overweight and 46 percent obese) and only 28 percent fall within the normal weight range. Thandi Puoane, a collaborator on this research, argues that “in spite of the high levels of food insecurity, urban black women are increasingly becoming overweight as they resort to cheap unhealthy foods, which are easily available in their neighbourhood. This food is usually high in fat, refined carbohydrates, but low in fibre and complex carbohydrates. Very little fresh fruit and vegetables are available in Khayelitsha and Nyanga. Local shops and street vendors tend to sell fatty meats and sausages. In addition, women living in these areas also lead a sedentary lifestyle due to crime and a lack of physical activity” (Thandi Puoane, personal communication). The majority of deaths in CTU (an area with more than three quarters of a million people) are symptomatic of long-term impoverishment of large communities and the accompanying social breakdown, the high prevalence of diseases and the lack of effective public health interventions.

In conclusion, not only might food insecurity compound on already poor health conditions, it might also be a causative factor. The effects of poor health and nutrition are particularly devastating to poor people as they are highly dependent upon their physical strength as a livelihood resource. Poor nutrition not only creates long-term health risks, but it also exacerbates existing health problems, including the AIDS epidemic. Food insecurity can lead to devastating ‘under-investment’ at key times that permanently reduce the capabilities of people. For example, inadequate child nutrition creates long-

¹⁵ In CTU 86 percent of people interviewed stated that they knew the causes for HIV/AIDS infection, and 75 percent thought that HIV/AIDS could not be cured at present. However, when more specific questions were asked, it became apparent that many respondents did not have a sound understanding of HIV/AIDS. For example:

- 23 percent of people believed that sex with healthy-looking people was safe (i.e., no risk for HIV infection), and 14 percent did not know whether this was true or false;
- 34 percent of people believed that HIV-positive people could not look or feel healthy, and 16 percent did not know whether this was true or false;
- 34 percent of people believed that AIDS can be cured at present if treated early enough, and 24 percent did not know whether this was true or false.

This lack of basic knowledge exist against the backdrop of a very high prevalence of HIV positive adults (based on 2001 antenatal surveys), namely 22 percent in Khayelitsha, and 17 percent in Nyanga. Despite implementation of extensive public awareness campaigns it appears that the basic information on HIV/AIDS prevention, is not sufficiently clear or accessible to poor people. There is a dire need for basic, yet specific education and information around HIV/AIDS, its transmission and prevention.

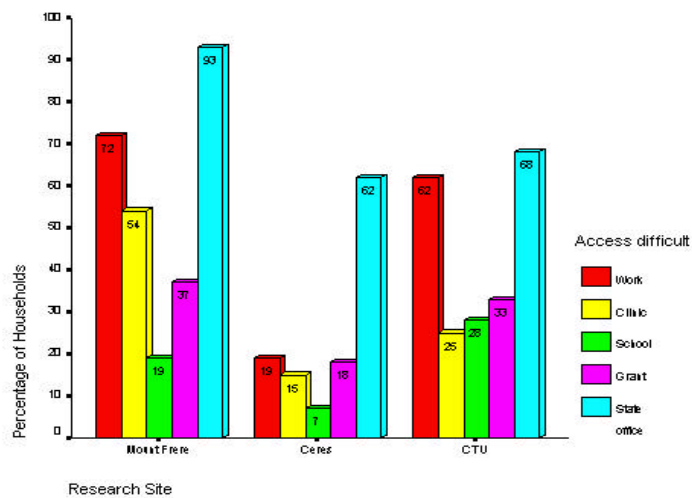
¹⁶ Data from Western Cape Provincial Government records.

term health problems including higher medical costs, poorer educational performance, and lower labour productivity in the long run.

4.6 Geographic Assets

As would be expected, Mount Frere households featured the highest percentage of households with “difficult” to “impossible” accessibility to essential services, as summarised in Figure 16.

Figure 16: Comparing Poorly Accessible Facilities Across the Three Sites



Forty three percent of Mount Frere main bread winners took less than one hour to get to work, 26 percent required more than one hour and 29 percent needed a day or more to get to work. In comparison, in Ceres 91 percent of main bread winners got to work within one hour or less, whilst this was the case for 60 percent of CTU chief bread winners. The time taken to get to a clinic/doctor and to school are represented in Tables 27 and 28 below.

Table 27: Time Taken to Access Medical Doctor or Clinic

Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Time taken to get to Doctor / clinic	%	%	%
Less than 10 minutes	14	43	36
10 – 30 minutes	23	45	45
31 – 60 minutes	13	8	11
1 – 2 hours	32	3	6
More than 2 hours	16	1	1
A day or more	1	-	-

Table 28: Time Taken for Eldest Child to Access School

Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Time for eldest child to get to school	%	% (excl. N/A)	% (excl. N/A)
Less than 10 minutes	28	22 (40)	15 (27)
10 – 30 minutes	38	30 (56)	28 (51)
31 – 60 minutes	12	2 (4)	9 (16)

1– 2 hours	10	0	3 (6)
More than 2 hours	3	-	-
N/A	3	46	44

The three most common forms of accessing work in Mount Frere are, in order of frequency, bus, walking and taxi. In Ceres, one third of workers get a lift with their employer, others mainly walk or take a bus, whilst using the train is the most common means of accessing work in CTU, followed by taxi and bus transport (see Table 29 for details).

Table 29: Methods Used by Main Bread Winner to Access Work

Research Site Method of main bread winner to get to work	MOUNT FRERE % (excl. N/A)	CERES % (excl. N/A)	CAPE TOWN URBAN % (excl. N/A)
Walk	16 (30)	20 (25)	6 (9)
Lift	1 (2)	4 (6)	1 (2)
Employer	1 (2)	27 (33)	8 (12)
Bus	17 (32)	14 (17)	10 (15)
Bicycle	1 (2)	1 (1)	1 (2)
Taxi	13 (24)	8 (11)	12 (17)
Train	-	-	28 (42)
Other	4 (8)	6 (7)	2 (3)
N/A	47	19	34

As expected, the cost of a return journey was most expensive from the remote locations of Mount Frere, where 39 percent of main bread winners spent more than R40 on a return trip, 17 percent pay between R100 and R150, and another 17 percent pay more than R150. However, the travelling costs of CTU main bread winners are substantial, indicating that although distances might not be as vast as in Mount Frere, the relative cost of transport seems to be the highest in urban areas (see Table 30 for detail).

Table 30: Main Bread Winner's Cost of Return Journey to Work

Research Site Cost of return journey to work by main bread winner	MOUNT FRERE % (excl N/A)	CERES % (excl. N/A)	CTU % (excl. N/A)
Nothing	17 (32)	67 (85)	13 (20)
Less than R9	6 (11)	7 (9)	4 (6)
R10 – R15	5 (9)	1 (1)	4 (6)
R16 – R29	1 (2)	0	5 (8)
R20 – R39	3 (5)	2 (3)	8 (12)
R40 – R69	2 (3)	1 (1)	6 (9)
R70 – R99	1 (2)	0	13 (20)
R100 – R150	9 (17)	1 (1)	7 (11)
More than R150	9 (17)	0	5 (8)
N/A	48	20	35

Note. Figures in brackets are percentages worked out when the number of Not Applicable (N/A) are excluded.

Apart from the direct costs involved in transport, it is important to consider its hidden costs as well, including ineffective means of transport and loss of time, social instability, reduced accessibility to potential jobs and commercial opportunities. The situation is exacerbated through the privatisation of transport (e.g., Transnet), and a lack of

accessible roads in rural areas, elevating transport costs even further for those residing in rural areas.

4.7 Security Assets and Vulnerability

Many households have been plagued by various disasters over the twelve months, whereby Mount Frere residents once again experienced catastrophes on a greater scale than the other two sites, followed by CTU, and tailed by Ceres (see Table 31 below).

Table 31: Most Frequent Disasters Occurring in the Past Year

Most frequent disaster	Mount Frere	%	Ceres	%	CTU	%
1.	Natural disaster ¹	39	Loss of job ²	24	Loss of job ²	32
2.	Serious illness	34	Serious illness	21	Death in household	25
3.	Death in household ²	29	Death in household	16	Natural disaster ¹	23
4.	Loss of job ³	27	Loss of possessions ³	13	Serious illness	19
5.	Death of livestock	26	Assault	9	Loss of possessions ³	19
6.	Loss of possessions ⁴	23	Natural disasters ¹	6	Serious accidents	11

¹ including fire, floods or storms resulting in (partial) destruction of housing.

² or in immediate family of household member

³ of chief bread winner

⁴ predominantly due to theft

The types of disasters are similar across the sites, with loss of job, serious illness and death in the household or immediate family of household members ranking amongst the most common ones. Death of livestock was unique to Mount Frere (26 percent), assault featured mostly in Ceres (9 percent), and serious accidents appeared typical of CTU (19 percent). Twelve percent of Mount Frere residents reported feeling unsafe from crime, followed by CTU residents (26 percent), with the highest percentage being in Ceres (32 percent) (see Table 32 for detail). In CTU, 7 percent of interviewees reported that their spouse had deserted them in the last 12 months.

Table 32: Types of Disasters Across the Three Sites

Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Disasters in past 12 months	%	%	%
Natural disasters	39	6	23
Death in household	29	16	25
Serious illness	34	21	19
Loss of job (main bw*)	27	24	32
General joblessness	65	37	66
Loss of possession/theft	23	13	19
Assault	5	9	7
Witchcraft	5	5	3
Violence in household	8	6	8
Serious accident	11	3	11
Death of many livestock	26	2	6
Rape	3	1	1
Other	1	2	0
Deserted by spouse	Not asked	Not asked	7

Note. *bw refers to bread winner.

In conclusion, the incidence of calamities, ranging from natural disasters to violence and death in the households, is extraordinarily high. This is a further indication of the general impoverishment of these communities, since they have very few means to protect themselves against disastrous events, and they often lack the resources to overcome the devastating consequences of these disasters.

4.8 Social Networks

“We are now all so poor we cannot help each other anymore” (Mount Frere Resident interviewed in 2002).

4.8.1 Organisations

The church and the burial associations enjoy by far the largest participation of residents across all sites, with the highest level of participation taking place in Mount Frere. Other organisations, such as music or singing groups, sports clubs, youth groups and school committees are less popular, with between 15 and 20 percent of households participating. (see Table 33 for detail).

Table 33: Most Frequent Participation in Organisations

Research Site	MOUNT FRERE	CERES	CAPE TOWN URBAN
Most frequent participation	%	%	%
1	Church (80%)	Church (79%)	Burial association (58%)
2	Burial association (71%)	Burial association (27%)	Church (54%)
3	Political party (19%)	Youth group (20%)	Sports club (19%)
4	Grocery group (17%)	Sports club (18%)	Street committee (15%)
5	Youth group (16%)	Singing/music group (14%)	Political party (15%)
6	Sports club (16%)	Political party (6%)	Youth group (11%)
7	Singing/music group (15%)	School committee (5%)	Singing/music group (10%)

In focus group discussions the absolute majority of Mount Frere participants indicated a decline in traditional reciprocal relations, increasing the isolation of households in need. Reasons often mentioned for this decline was:

- (i) the increased dependence on money and the destitution of so many households (“We are now all so poor we cannot help each other anymore” Mount Frere Resident interviewed in 2002);
- (ii) a negative attitude towards traditional ways of living and agriculture [often mentioned together] of young people (“The young people want to work with computers, not spades” Mount Frere Resident interviewed in 2002); and
- (iii) a search for a so-called modern lifestyle (“We want to live like white people. We want jobs, money, toilets and all those nice things we see on TV like Kentucky Fried Chicken” Mount Frere Resident interviewed in 2002).

Similar sentiments regarding the escalating prevalence of the cash economy was found in all the research sites. “Sharing is common practice in the community... black people are used to sharing. It is easy to share the land because the land stays. In Eastern Cape

people still share food and land. In Mooiblom people are more dependent on money and money is harder to share because it disappears” (Mooiblom resident interviewed in 2002).

In conclusion, informal safety nets are not sufficient in dealing with the socio-economic changes rooted in the growing discrepancy between consumption (in its relation to livelihood), and production. For this reason a serious re-think about the necessary and potential roles of social grants in South Africa is extremely timely.

5. Social Grants

A self-trained artist from the Eastern Cape, was unsuccessful in establishing himself in Ceres. He is the main bread winner of his household (4 adult equivalents), but despite his daily persistent search, he struggles to find even casual work such as labelling boxes or gardening. His main concern is his family: “Just as long as my children do not go hungry”. Last year he was without paid work for eleven months, which he found devastating: “I was going to sleep without food and that was painful. I would wake up and go searching for work. I would sit on the pavement [in Ceres] just looking at people. I didn’t want to go back to the house because the children were always crying”. When he wanted to give up, the church provided him with assistance: “The church kept me going until I found work again. They gave me money – ten or twenty Rand a week – and told me to keep trying. [Without the church] I would be sleeping in the mountains by now” (Mooiblom resident interviewed in 2002).

5.1 Present National Situation

At present government and civil society is contemplating the use of a poverty alleviation social grant as proposed by the Taylor Commission. Whilst a broad coalition of civil society organisations, such as NGOs, trade unions, and churches, strongly support this drastic state intervention, the government has so far rejected the proposed universal Basic Income Grant (BIG). The debate necessitates a detailed assessment of its potential impact in the three research sites.

To date the bulk of anti-poverty expenditure in South Africa consists of government spending on an array of social security grants and subsidised health care. Measured by expenditure, the government’s social security system is by far the largest anti-poverty instrument in the country, and probably one of the more functional.¹⁷ Despite the relative effectiveness of social grants, it is now estimate that at least 50 percent – or 10 million people – in the poorest half of the South African population neither qualify for, nor receive any social security transfers.¹⁸ Furthermore, it is now estimated that most unemployed people live in households with no wage earners. This accentuates the need for social transfers to the unemployed, as well as for their long-term integration into productive activities on a scale seemingly beyond the normal capacities of market forces.

¹⁷ See Aliber, 2003.

¹⁸ “Half of the poor live in households that receive no social security benefits at all, and the rest remain poor in spite of the benefits they receive” (Taylor Committee of Inquiry 2002, 59)

5.2 Central Features of Poverty Warranting Social Security Attention

People living in the Mount Frere district, the Ceres townships and the CTU area, indeed endure a severity of the multi-dimensional poverty and are poor in several ways, due to the following factors.

- ?? The volatile and precarious nature of employment and a general lack of employment opportunities in the formal and SMME sector, leading to the exclusion of the poor from the economic mainstream (due their inability to secure stable employment or to create self-employment within a growing cash economy).
- ?? The continued existence and even extension of segregated racialised geographies with dormitory settlements isolated from vibrant economic areas, and insulated in spatial poverty traps with an extremely low economic base.
- ?? Very low levels of income and insignificant levels of surplus cash essential for entrepreneurship.
- ?? The rising cost of living (especially in regard to food prices).
- ?? Large-scale food insecurity.
- ?? Poor nutrition and health.
- ?? An expanding monetisation of services (including health, education and transportation).
- ?? A deterioration of reciprocal relations as the traditional values of sharing are challenged by the prevalence of the cash economy. Whilst informal community arrangements and support networks work well under certain circumstances, they do tend to break down during periods of prolonged and widespread stress. In other words, over time, the prevailing chronic poverty in the majority of households undermines the social cohesion of the community at large.
- ?? A general lack of social infrastructure and markets essential for basic social development.
- ?? The present failure of land-based livelihood strategies/subsistence agriculture to provide a basis for survival.

These factors impede on poor people's ability to escape from poverty on their own, and confines them to long-term poverty traps that tend to be race-specific in South Africa. The absolute majority of the chronically poor households in all three of the above human ecologies will not be able to escape poverty through their own efforts alone. Both the immediate short-term crises of severe poverty (such as hunger and basic social services), as well as the incremental long-term creation of viable urban- and land-based livelihoods integrating the poor into the economic and social mainstream, need to be addressed.

The severity of the multi-dimensional poverty and the poor communities' eco-spatial isolation from prosperous economic areas, have separate - yet interlinked - implications for pro-poor growth. On the one hand, many poor people will not be able to take advantage of the opportunities in the economy due to the severity of their multi-

dimensional poverty (poor nutritional status, poor health, low skill base, a lack of monetary resources, no surplus cash, etc.). On the other hand, given the simultaneous racial and spatial concentration of poverty in South Africa, many poor people are not able to create opportunities in the economy because of the general low economic base of the socio-economic areas within they reside and try to make a living. The integration of poor people, especially the chronic and the rural poor, into vibrant socio-economic areas has to deal with these features simultaneously.

Generally speaking the South African social grant system is presently a means of assisting a very large section of the population over sustained periods of time, and it is not a safety net to catch an unfortunate few in times of temporary distress. The social grant system performs this task relatively well. However, two major problems are apparent, namely the exclusion of many desperately poor people (including problems of take-up) and the utilisation of the social grant system as a developmental instigator.

5.3 Case Studies

5.3.1 Mount Frere

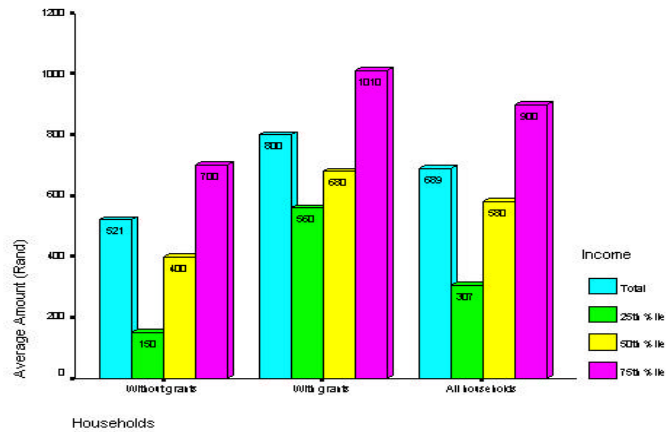
In the Mount Frere district, state social grants are by far the most effective social intervention and investment at present. The impact of this governmental initiative, as well as its potential expansion to address the challenges sketched out above, requires further attention.

State social grants accounted for 46 percent of total household incomes. Sixty percent of households received some form of social grant, on average amounting to R532 per month and making up 67 percent of their total income. Without these grants many households would slide into total destitution. Grants such as the Old Age Grant not only provide for the older person but very often for entire households.¹⁹

Nevertheless, the position of the majority of the 40 percent of households that do not receive any social grants is very precarious. This can be seen, for example, by the finding that the average incomes of all categories of households with social grants are substantially higher than those of non-grant receiving households. Within the poorest income-based quartile (i.e., 25th percentile), the difference is particularly stark: households with social grants have an average monthly income of R560, and households without social grants generate only R150 per month (a difference of 73 percent). As discussed earlier, these income poorest households are also the most disadvantaged in all other significant categories, such as livestock ownership and food security (see Figure 17).

¹⁹ The Taylor Committee found that social assistance grants – and the state old age pension in particular – are powerful mechanisms to combat poverty and income inequality: “Over a quarter of household income in the second and third deciles (i.e., the second and third poorest tenths of the population) came from state old age pensions. Indeed, the presence of an old age pensioner in a household was often the main reason for lifting households out of abject poverty.” (Taylor Committee of Inquiry 2002, 24).

Figure 17: Impact of Existing Social Grants on Households



When comparing households with social grants (n = 439) to those without (n = 292) in terms of large livestock ownership (cattle, goats, sheep and pigs), it is interesting to observe that there are no apparent differences between the two categories. This indicates that livestock ownership plays no significant role in differentiating between households in terms of means-test-like financial criteria (see Table 34).

Table 34: Comparing Average Number of Large Livestock in Households With and Without Social Grants

Households	Average livestock	Cattle	Sheep	Goats	Pigs	Total average per household
With social grants		2.48	1.67	4.57	1.3	10.01
Without social grants		2.88	2.02	4.25	1.04	10.19

However, when the mean social grant is subtracted from the total income of grant receiving households, these households are financially worse off than non-grant receiving households. In the light of earlier findings supporting a relationship between income with livestock ownership, it can be concluded that the extent of livestock ownership in grant receiving households can at least be partially attributed to the monthly social grants income.

One of the major problems with the present social grant system is that many severely poor people are excluded. Research by PLAAS/SOPH in Mount Frere has demonstrated that the likelihood of chronically and severely poor people accessing social grants is lower than for any other segment of the population. For example, in the Social Security Survey which focussed on extremely poor households, it was found that the take-up rate for the child support grant was only 7 percent (4 out of 54 children who all qualified) and the take-up of the foster care grant was 0 percent (0 out of 17 children who qualified). The administrative infrastructure for the existing grant system is cumbersome, under-resourced both in financial and human capital terms, and not geared towards dealing with developmental realities or needs in rural areas such Mount Frere. The Departments of

Social Development and Home Affairs have installed some promising outreach programmes. However, these are not meeting the enormous demand. However, a comprehensive reform of bureaucratic practices is required to render social security services more effective. Understaffing, an uncaring ethos and complicated bureaucratic procedures of present welfare services create obstacles to the effective administration of social grants in general.

The Taylor Commission suggested an Universal Basic Income Grant (BIG) as a possible non-means tested poverty alleviation social grant. Introducing this grant (at the suggested R100 per person per month) into the Mount Frere sample would seem to instigate some interesting developmental and poverty alleviation improvements. A BIG would dramatically reduce the *severity* of the income poverty experienced by the poorest third of households. At present, the bottom third of households have an average monthly income of R32 per person (approximately R234 per household). If this were to be adjusted with a BIG of R100 per person, the income would increase by 76 percent to R132 per person (approximately R974 per household per month). This would amount to a similar income level to that of the present top third of households (R169 per person). The differences in the quartiles can be seen in Table 35.

Table 35: The Average Difference of a Basic Income Grant on the Different Income Categories in Mount Frere

Monthly income	All households without a BIG	All households with a BIG	Households presently without existing social grants and without a BIG	Households presently without existing social grants, with a BIG	Households presently with existing social grants, without a BIG	Households presently with existing social grants and with a BIG
Total monthly average income	R689	R1429	R521	R1261	R800	R1540
Up to the 25 th quartile	R307	R1044	R150	R890	R560	R1300
Up to the 50 th quartile	R580	R1320	R400	R1140	R680	R1420
Up to the 75 th quartile	R900	R1640	R700	R1440	R1010	R1750

5.3.2 Ceres

The impact of social grants in Ceres needs to be assessed separately in the black and coloured communities, given the substantial differences. In black households, state social grants account for 9 percent of total household incomes, with only one fifth of households (22 percent) receiving social grants that amount to an average of R99 per month. In coloured households, social grants comprise of 10 percent of the total monthly income, with 27 percent of households receiving grants.

Using the official poverty line for black households (at R352 per adult equivalent) as many as 68 percent of households fall below the poverty line. If social grants are subtracted, this figure rises to 71 percent. If a BIG was to be introduced, the number of black households under the poverty line would diminish to 52 percent. The number of

coloured households falling below the poverty line is substantially less than for black households at 43 percent. Without social grants, these percentage would increase to 50 percent, whilst with the introduction of a BIG, would result in a decline to 23 percent.

Table 35: The Average Difference of a Basic Income Grant on the Different Income Categories in Black and Coloured Ceres Households

Monthly income	All households without a BIG	All households with a BIG	Households presently without existing social grants and without a BIG	Households presently without existing social grants, with a BIG	Households presently with existing social grants, without a BIG	Households presently with existing social grants and with a BIG
Total monthly average income	<i>Black:</i> R1 067 <i>Coloured:</i> R1 725	<i>Black:</i> R1 497 <i>Coloured:</i> R2 145	<i>Black:</i> R998 <i>Coloured:</i> R1 765	<i>Black:</i> R1 428 <i>Coloured:</i> R2 185	<i>Black:</i> R1 313 <i>Coloured:</i> R1 613	<i>Black:</i> R1 743 <i>Coloured:</i> R2 033
Up to the 25th quartile	<i>Black:</i> R400 <i>Coloured:</i> R838	<i>Black:</i> R830 <i>Coloured:</i> R1 258	<i>Black:</i> R400 <i>Coloured:</i> R860	<i>Black:</i> R830 <i>Coloured:</i> R1 280	<i>Black:</i> R620 <i>Coloured:</i> R820	<i>Black:</i> R1 050 <i>Coloured:</i> R1 240
Up to the 50th quartile	<i>Black:</i> R800 <i>Coloured:</i> R1 414	<i>Black:</i> R1 230 <i>Coloured:</i> R1 834	<i>Black:</i> R776 <i>Coloured:</i> R1 462	<i>Black:</i> R1 206 <i>Coloured:</i> R1 882	<i>Black:</i> R975 <i>Coloured:</i> R1 300	<i>Black:</i> R1 405 <i>Coloured:</i> R1 720
Up to the 75th quartile	<i>Black:</i> R1 508 <i>Coloured:</i> R2 230	<i>Black:</i> R1 938 <i>Coloured:</i> R2 650	<i>Black:</i> R1 400 <i>Coloured:</i> R2 370	<i>Black:</i> R1 830 <i>Coloured:</i> R2 790	<i>Black:</i> R1 945 <i>Coloured:</i> R2 040	<i>Black:</i> R2 375 <i>Coloured:</i> R2 460

Although the proportion of households receiving social grants is similar between the black and coloured communities, the impact of these grants are fundamentally different. The targeting of social grants in the coloured households appears to be relative good. For example, the overall income of households without grants is higher than that of grant receiving households. This means that the coloured households receiving grants are in need of it, as they would be significantly poorer if the grant-based income source were removed. Social grant targeting of the black households, on the other hand, appears quite ineffective, even arbitrary, since the opposite pattern can be observed. Grant receiving households in all quartiles have a higher average income than non-grant receiving households (see Table 35 above).

5.3.3 Cape Town Urban

All in all, 376 individuals (living in a total of 40 percent of the households) receive a state social grant. The main grants are: the child poverty grant (66 percent), pensions for aged (15 percent) and disability grants (12 percent), and state social grants account for 18 percent of total household income. If there were no state social grants the overall percentage of households below the official poverty line would increase by 3.5 percent (from 76.4 to 79.9 percent). This relatively small change in poverty reduction can be ascribed to the fact that child poverty grants account for two thirds of the total number of grants, is relatively low (R130 per month) and thus does not significantly impact on the overall poverty reduction.

If the BIG were to be introduced with effective administration, a monthly R100 per person could, in addition to existing grants, reduce the overall percentage of households below the poverty line by 17.2 percent (i.e., from 76.4 to 59.2 percent). It would also dramatically reduce the *severity* of the income poverty experienced by the poorest third of households. At present, the bottom third of households have an average monthly income of R180 (i.e., R39 per person). If this were to be adjusted with a Basic Income Grant of R100 per person, the income of these households would more than triple to R640 per month (i.e., R139 per person). This would amount to a similar income level to that of the present middle third of households (R155 per person). See Table 36 for a breakdown according to income quartiles in CTU.

Table 36: The Average Difference of a Basic Income Grant on the Different Income Categories in Cape Town Urban Households

Monthly income	All households without a BIG	All households with a BIG	Households presently without existing social grants and without a BIG	Households presently without existing social grants, with a BIG	Households presently with existing social grants, without a BIG	Households presently with existing social grants and with a BIG
Total monthly average income	R977	R1 437	R964	R1 424	R1 001	R1 461
Up to the 25 th quartile	R300	R760	R230	R690	R480	R940
Up to the 50 th quartile	R720	R1 180	R665	R1 125	R750	R1 210
Up to the 75 th quartile	R1 300	1760	R1 400	R1 860	R1 240	R1 700

In conclusion, on the basis of the three sites, the existing grant delivery system has to be extended and strengthened through increased resources with more well trained staff and delivery systems appropriate to poor people. There also needs to be a simplification and reduction in the bureaucracy associated with administration of grants. An improved social grant outreach would be a low cost means of assisting, and empowering, the chronic and severely poor. Ideally, the means test for grant qualification should be removed in regard to grants that could potentially impact significantly on the majority of the population. There is an abundance of evidence demonstrating that the means test is not an effective mechanism for ensuring that eligible recipients receive their entitlements of government social security. Social grants allocations indeed often appears quite ineffective and even arbitrary in terms of various poverty criteria. Furthermore, chronically poor households need to fulfil their absolute basic needs *and* have some surplus cash in order to become economically active, generate income and become upwardly mobile in more sustainable ways. Its is in this regard that a BIG appears – from all three very different human ecologies –to be useful as a developmental instigator.

In summary, this kind of a grant – if administered effectively – can potentially:

- ?? address the immediate short-term crises of severe poverty (such as hunger) and avert the brunt of destitution for the severely poor;
- ?? enable greater participation in productive activities (both land-based and in the other sectors of the economy) by reducing the severity of the impoverishment,

and by providing inhabitants with some monetary resources, *and* uplift the general low economic base of these areas (e.g., through economic multipliers). Furthermore, there is evidence of a positive correlation between raised income and success in securing work. The small but stable income provided by the BIG would notably assist poor people to cover expenses and take risks associated with job seeking and self-employment;

- ?? be developmental as there would still be sufficient incentive for people to look for work in order to supplement their income due to the moderate monthly universal BIG of R100;
- ?? reach even those destitute households effectively excluded from the current social assistance programme with much greater ease, as it would circumvent many of the current social security barriers (such as means testing, complicated application procedures, uncertainty about their eligibility for available grants, lack of transport and required documentation);
- ?? reduce the present 'poverty tax' as it is most often the working poor, the grant receiving poor and the poor in general that lend support to other poor households. There is indeed a great need to assist the poor to combat the demands of other impoverished households. A BIG could reduce this 'poverty tax', add social stability to communities, reduce coercive patronage relations as community transfers are rarely based upon pure benevolence, and enable households to invest a greater portion of their income in productivity-enhancing consumption and social investments.

The above scenario is possibly also the case for other socio-economic areas in which chronically poor people in South Africa live. Whilst this is no quick fix solution, is apparent potential warrants serious attention. A BIG could assist to create vibrant socio-economic spaces, especially in the areas of South Africa characterised by the extreme racial and spatial concentration of poverty.

6. Concluding Recommendations

Households trapped in chronic poverty are subject to specific dynamics, and targeted policies and interventions have to be designed to meet their needs. Generally speaking, these households need measures that help them cope with their immediate crises, assist them in creating sustainable livelihoods, and make them less vulnerable to shocks. Pro-poor development strategies are also need to pro-actively address the long-term socio-economic impact of the HIV/AIDS pandemic.²⁰

²⁰ The effects of the HIV/AIDS epidemic could nullify the impact of otherwise successful anti-poverty strategies. Presently 4.2 million people, including 20% of adults, are infected with the HIV virus. South Africa is one of the countries with the highest number of people living with AIDS. The Medical Research Council (MRC) estimates that in 2000 about 40% of deaths in the age group 15 to 49 years were due to HIV/AIDS, which now has now become the single biggest cause of death. Without effective treatment to prevent AIDS, the number of cumulative AIDS deaths can be expected to grow to about 6 million in South Africa by 2010, resulting in more than one million AIDS orphans by 2010. If all other factors remain constant during this decade, we project that the Aids epidemic will substantially increase the overall percentage of longterm impoverished households by 2010. HIV/AIDS deaths are also a major cause of chronic poverty. There is a classic cycle in which a head of household contracting AIDS leads to reduced earnings due to ill-health, higher expenses on medical bills and traditional cures, asset depletion (sale of assets, withdrawal of children from school), and further drops in income. When the head dies there are funeral expenses and the remaining household members are left in an assetless or indebted state of persistent poverty.

1. Hunger is perhaps the most extreme expression of poverty as the most basic bodily needs are not met. A very high proportion of the poor experience extended periods of hunger and are caught in the ruinous downward spiral of chronic and severe poverty. Since the majority of poor people are particularly dependent on their physical strength as a source of livelihood, the effects of food insecurity on poor health are devastating. A medium-term strategy would thus inevitably have to involve forms of food relief targeting impoverished households and impoverished regions, districts and neighbourhoods. Although fostering dependency on food aid is an unfavourable long-term intervention, large-scale food relief can effectively prevent further decline into destitution and chronic poverty.²¹ The long-term costs of not acting in this area are indeed extremely high.

2. a) In rural areas where land-based livelihood strategies can play a major role food relief programmes have to be complemented by the development of land-based livelihood strategies and the inherent agricultural potential of those areas in order to ensure a basis for long-term effective food security. The crucial areas in need of government intervention include:
 - (i) input cost support to resource poor people and communities;
 - (ii) the involvement of local partnerships between local authorities and local communities in the management of the total production cycle;
 - (iii) agricultural skill development in schools and with adults;
 - (iv) the deliberate promotion of household food production (e.g., in the media) as a valuable asset and cultural good;
 - (v) technical assistance to both micro, small and medium agriculturalists (the present focus is too skewed towards medium and large commercial farmers); and
 - (vi) the incremental expansion of the low economic base, weak markets and the poor physical infrastructures.

2. b) In urban and rural areas with large landless populations the increased direct access to household food production need to complement the above mentioned food relief programmes. Garden cultivation in urban areas and rural towns as a means to food production would require:
 - (i) the optimum utilisation of existing public land (often owned by municipalities) and/or already existing potential garden spaces around peoples homes;
 - (ii) the local management of these food gardens in partnership between local authorities and local communities;
 - (iii) the development of basic community-based technical support services;
 - (iv) the long-term subsidisation of cultivation expenses;
 - (v) household food production skill development in schools and with adults;

²¹ The first draft Food Security Bill (2002) attempts to achieve to start this process and to foster a greater degree of integration between government departments on the issue of food security. Up to the present the School Food Programme has not been a major success. It continues to suffers from an inadequate budget and a lack of a coherent framework.

- (vi) the deliberate promotion of household food production (e.g., in the media) as a valuable asset and cultural good; and
 - (vii) the provision of sufficient water access by local authorities.
3. The effective utilisation of social grants to address the short-term crises of severe poverty and to act as a developmental instigator. In this regard the following needs to happen:
- (i) the provision of poverty alleviation funds in the form of an improved social grant outreach in order to *directly* assist impoverished regions, districts and neighbourhoods;
 - (ii) an improved social grant outreach as this would be a relatively low cost and cost effective means of assisting the severely and chronically poor;
 - (iii) a reform of bureaucratic processes (e.g., ID book registration) and practices, and a simplification and reduction in the bureaucracy associated with administration of grants;
 - (iv) local level bureaucratic attitudes need to be re-orientated to render social security services more effective, and to enable the institutional practices of the public sector to empower poor people; and
 - (v) a non-means tested poverty alleviation and development instigating social grant (such as a BIG) warrants serious consideration, especially in the context of the racial and spatial concentration of poverty and the extreme asset and cash depletion of the poor and the chronically poor in particular.

Effective social interventions and investments are crucial not only to the survival of many severely and chronically poor people, but also to pro-poor socio-economic growth.

4. A reformed social grant system has to be complimented by:
- (i) the provision of services that are accessible, tailored to the needs of the poor including the cashless poor, and affordable - especially in regard to health, education (including school fees, transportation costs, and school uniforms) and transport - the costs that severely burden the poor;
 - (ii) impoverished regions, districts and neighbourhoods need to be targeted with a general subsidising of energy, water and local transport. This is a crucial prerequisite of combating poverty and in stimulating development opportunities and peoples abilities to utilise existing opportunities; and
 - (iii) the low economic base of impoverished regions, districts and neighbourhoods needs to be uplifted by implementing incremental socio-economic development which targets the amelioration of the low economic and assets base of areas isolated from vibrant economic areas, and encapsulated in their own poverty.

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