SUMMARY This paper describes key findings of a household livelihood survey conducted in impoverished African settlements in Cape Town, one of Africa’s wealthiest cities. Poverty in these areas is strongly shaped by the history of the Eastern Cape’s adverse spatial incorporation into the South African economy. Migrants from the rural areas are highly dependent on and integrated into the increasingly monetized economy - but are simultaneously marginalized and adversely incorporated within it. Survey findings show the costs and implications of this failure of the formal economy to provide adequate livelihoods. While many eke out a living in a vital yet marginal informal economy, these strategies are thoroughly linked to and dependent on the income that can be secured through participation in the formal job market. Those who are unable to find a foothold in the urban economy are highly vulnerable and are at risk of being confined to long-term poverty traps.

I. INTRODUCTION

KHAYELITSHA AND NYANGA, two of Cape Town’s poorest African suburbs, bear testimony both to the impoverishing effects of the legacy of Apartheid and to the failure of the post-Apartheid economy to alleviate that poverty. Situated on the Cape Flats, a sandy expanse that separates the wealthy northern and southern suburbs, they are simultaneously thoroughly dependent on the city’s economy and deeply marginalized within it. Apartheid social engineering, spatial planning and rural-urban migration have created urban sprawl and the expansion of racialized economic geographies that have persisted well after the transition to democracy.

The causes of this poverty are complex and multi-levelled. Increasing levels of monetization and the marginal and underdeveloped nature of agrarian livelihoods in the Eastern Cape clearly play an important part, which has meant that urban in-migration from the Eastern Cape to Cape Town has continued unabated. African migrants arriving in Cape Town in search of employment, however, find an unwelcoming environment. In addition to its recent and rapid population growth, Cape Town’s urban sprawl also reflects a nexus of extremes. The city has both a monocentric and a polarized structure, with the wealth from its strong and relatively varied economy concentrated in the affluent northern and southern suburbs, in

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1 This paper is based on research conducted by the Programme for Land and Agrarian Studies and the School of Public Health at the University of Cape Town, as part of a partnership with the Chronic Poverty Research Centre at the University of Manchester (for more information, see www.chronicpoverty.org).


3 See, for example, Swilling, M, R Humphries and K Shubane (editors) (1991), Apartheid City in Transition, Oxford University Press, Cape Town.

strong contrast to the poverty and marginality of the sprawling impoverished township periphery situated on the sandy expanses of the Cape Flats.\textsuperscript{5} Until recently, this peri-urban edge of the city simply catered to the labour needs of Cape Town’s white economy, and it is only recently that it has acquired an identity as an economic hub of its own.\textsuperscript{6} However, jobs are still scarce and the majority of livelihoods are still eeked out in the informal and survival sectors. Most of the inhabitants live in poverty, and are thoroughly incorporated into an urbanized and monetized economy within which they have a marginal status. They survive by clinging to employment at the edges of the formal labour market, subsisting on the meagre pickings that circulate through the informal economy, and still rely heavily on the networks that connect them to the rural economy of the Eastern Cape to help them absorb shocks and deal with uncertainty.

Much more work needs to be done on developing a detailed understanding of the persistence of urban poverty in this context of rapid development and extreme inequality. The broader political economies that drive in-migration from the Eastern Cape and perpetuate continuing unemployment need to be better understood. In particular, we need to know much more about the complex and highly spatialized livelihood strategies poor black people have developed to deal with the stresses, vulnerabilities, uncertainties and challenges that they face, and the complex and still-extant connections that link urban Africans to the hinterlands of the Eastern Cape. Many of these complexities, however, lie outside the ambit of this paper. Rather than deal in depth with livelihood strategies, it examines aspects of urban livelihoods in this context, and highlights both the depth and the multidimensional breadth of the poverty that persists on the edges of Cape Town’s booming economy.

\section*{II. METHODOLOGY}

The findings presented here are drawn from a livelihoods survey conducted by the School of Public Health and the Programme for Land and Agrarian Studies between August and November 2002 in Khayelitsha and Greater Nyanga in Cape Town. Partly conceived as a component of the first wave of a three-area panel study - a second wave is planned for 2006 or 2007 - this survey was an attempt to build an in-depth picture of the breadth and depth of poverty in these areas, looking not only at income and expenditure but also at livelihood assets, needs and strategies, health status, food security and nutritional status. A random sample of 624 households was selected, resulting in a representative total of 2,884 respondents: 1,668 adults and 1,216 children.

\section*{III. POVERTY AND ECONOMIC MARGINALITY}

The survey highlights both the depth and breadth (multidimensionality) of poverty in Cape Town’s African population, and highlights some of the underlying structural causes that contribute to this poverty. Perhaps the most evident of these underlying causal factors is the inability of the formal sector to provide sufficient employment. More than half of all households (52 per cent) reported generating no income at all from wages, while almost two-thirds (64 per cent) of adults were reported to be unemployed. Overall, 23 per cent of

\textsuperscript{5} Myonjo, F and F Theron (2003), ”Addressing social exclusion: the Bloekombos case”, \textit{Journal of Public Administration} Vol 37, No 4, pages 492-506.

\textsuperscript{6} See reference 4.
adults were reported to earn a permanent salary, 8 per cent were said to be occasionally employed and 5 per cent to be self-employed. Factory work constitutes a main part of reported wage labour (13 per cent), followed by general skilled work (9 per cent) and domestic work (6 per cent). Men are reportedly more likely to get paid jobs than females, with 52 per cent of males and 72 per cent of females having no paid work. Youth unemployment is particularly high - two-thirds (67 per cent) of 18-25-year-old individuals are neither employed nor enrolled in further education. This figure decreases somewhat in the 26-30-year-old age group, to 57 per cent.

There is evidence that wage labour is the most important source of total household income, reflected in the average total income of R 1,463 per month in households with some form of wage labour, compared to the average income of R 502 per month in households without wage employment. Wages are generally low - more than three-quarters (77 per cent) of households that had at least one wage earner still did not earn enough to push income per adult-equivalent over a poverty line of R 560 per month, and half of breadwinners (52 per cent) received less than R 1,000 per month. Furthermore, income stability for those households with employment is volatile and precarious. For example, 31 per cent of households had suffered the permanent loss of a full-time job in the last five years, and in 32 per cent of households the main breadwinner had lost his/her job at some point during the previous year.

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7 Adult-equivalence was computed using the equation (A + aK)q, where "A" is the number of adults, "K" the number of children, and "a" and "q" the equivalence factor for children, and a household economy-of-scale factor, respectively. For the purposes of the calculation, "a" is generally assumed to be 0.5 and "q" to be 0.9. Leibbrandt and Woolard argue that the identification of poor households is relatively little affected by the choice of equivalence scale. See Leibbrandt M and I Woolard (1999), "Measuring poverty in South Africa", DFRU Working Paper 99/33, Development Policy Research Unit, Cape Town.

8 This is the UNDP 1995 "food poverty line" of R 352 per adult-equivalent adjusted for inflation. See UNDP (2003), South Africa Human Development Report 2003 - The Challenge of Sustainable Development in South Africa: Unlocking People’s Creativity, Oxford University Press, Cape Town.
The distance from Cape Town’s African suburbs to the city’s economic centre both contributes to the marginalization of residents and adds substantially to the costs of being employed and of seeking work. Some 40 per cent of main breadwinners take more than an hour to reach their workplace. The most common means of transport to work is by train (42 per cent), followed by taxi (17 per cent) and bus (15 per cent), and a return journey to work costs more than R 20 per trip for 60 per cent of breadwinners. In addition to the direct costs involved in transportation, the hidden costs reflect the multiple dimensions of poverty that also need to be calculated. These include ineffective means of transport and loss of time, social instability, and reduced access to potential jobs and commercial opportunities.

In this study, the majority of adult residents (94 per cent) are literate, most having received between 6 and 10 years schooling. One-third of the sample speaks exclusively Xhosa (i.e. no English and/or Afrikaans). Only one-fifth of respondents completed "matric" (South Africa's final secondary school certificate), and tertiary qualifications (including trade certificates, etc.) are rare. Although there is a strong correlation between educational level and income for those who have employment (see below), education considered on its own made only a marginal difference to people’s chances of obtaining employment. In fact, residents with 11 to 12 years schooling were less successful in obtaining wage labour than those with 1 to 5 years of primary education. The percentage of those likely to gain paid employment in relation to educational level is summarized in Figure 1.

It can be concluded that an educational level of between 1 and 12 years schooling does not seem to make a difference to the likelihood of residents obtaining paid jobs, while even tertiary education results in only a marginal improvement over completion of Standard 6-8 (8 to 10 years of education). Interestingly, when the data were analyzed in terms of employment and educational level within one household (i.e. both employment and the highest educational level in the household - not necessarily that of the main breadwinner - were recorded), there was a significant correlation (p<0.05) between wage and years of schooling.

IV. INCOME

UNEMPLOYMENT AND VULNERABILITY at work are closely linked to low reported levels of income. At this point, one must note that the major weakness of the present survey data on the livelihoods of the poor in South Africa is the lack of information on informal work.9 It is clear that a wide range of informal activities provides a marginal, although essential, lifeline for millions of South Africans - yet this realm of activity is all but invisible in most published surveys.10 The present survey is no exception; although informal sector activity clearly plays a vital role in ensuring survival, it is more or less invisible in the survey. Income sources other

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than temporary work and self-employment (i.e. making or acquiring goods or food for sale) are minimal, and are reported to account for less than 8 per cent of total income.

At the same time, the survey indicates the low levels of income garnered from formal sector employment. Most households surveyed depend on multiple sources of income. When all sources of income are combined, 82 per cent of surveyed households still fall below the food poverty line of R 560 per adult-equivalent per month. Moreover, 22.6 per cent of households have less than R 100 per month per household member, and in 50 per cent of all households the monthly income amounts to less than R 241 per month per adult-equivalent. Only 15 per cent of households generate a monthly income greater than R 600 per adult-equivalent. The main sources of income are shown in Figure 2.

Wages constitute the largest source of income, at nearly 60 per cent, followed by social grants, accounting for 17 per cent of total income. Grants were more likely to make a significant difference to the incomes of the middle-third income group, which earns between R 500 and R 1,000 per month. Fifty-five per cent of households receive one or more social grants (pensions, child maintenance grants, disability grants), and the top-third income group, with more than R 1,000, relies less on state social assistance (38 per cent of households receive grants). Interestingly, the lowest-income group, earning less than R 500 a month, seems to have the least chance of obtaining grants (31 per cent of households).

![Figure 2: Sources of income](https://repository.uwc.ac.za)

There was also a significant and positive correlation between wage and education. Households with more schooling were more likely to have paid jobs with higher incomes, whereas average monthly income per adult-equivalent for those with no schooling was just short of R 280. Those with 10-12 years education averaged R 379, and those with tertiary education or additional qualifications, R 519. In addition, households were more likely to have higher wages and incomes if household members could speak English, and particularly if they spoke both English and Afrikaans. There was also a correlation between wage and language skills in most of the higher-income groups receiving a wage. Households whose members had more schooling, and who spoke English as well as Afrikaans, generated a significantly higher average monthly wage than
those who did not. For example, the average monthly wage for households whose members spoke neither English nor Afrikaans was R 417, compared to R 640 for households who spoke both English and Afrikaans. The difference in income was even more pronounced. Households where nobody spoke English or Afrikaans generated an average monthly income of R 767, while households with English and/or Afrikaans language skills generated R 1,102 per month. Even if it is not the breadwinner who possesses these skills, the findings suggest that extended education and language skills within the household increase the chances of obtaining a higher overall income. It is likely that the positive correlation between language skills and higher income is related to the racialized nature of Cape Town’s political economy. Those with jobs mostly work for white and affluent people who usually do not speak Xhosa, so employees would need to be able to communicate in either English or Afrikaans.

Savings are generally quite goal-directed. The majority of households (83 per cent) did not have any savings in bank accounts, and the savings of two-thirds of the remaining 17 per cent amounted to less than R 1,000 per household. Respondents reported the following reasons for saving money (in order, starting with the most commonly occurring reason):

- buying food;
- paying school fees;
- health and medical care; and
- paying debts.

Where savings occur, they are generally in the form of financial instruments directed at dealing with very specific forms of investment or insurance. Despite low income levels, 62 per cent of all households had burial insurance, and 9 per cent of households had life insurance.

Household expenses need to be measured both in terms of their magnitude and in relation to income (Figure 3). Food was the single greatest expense, accounting for 39 per cent of total monthly expenditure. Apart from food, the next highest monthly expenses included energy
(10 per cent), health (9 per cent), clothes and furniture (8 per cent), debt (5 per cent), maintenance (5 per cent), insurance (5 per cent) and support for others (4 per cent).

Fifty-six per cent of households incurred debt, borrowing mostly from hire-purchase companies (26 per cent), friends (12 per cent), family (12 per cent) and community members (19 per cent). Based on an estimated median of pre-determined categories of debt, an approximate average figure for total household debt was calculated at R 1,872. The most commonly reported reason for debt was to buy food, to pay for schooling and medical expenses, and to pay off other debts. It is important to note here that debt is not incurred in order to secure capital or assets, but simply for survival. Debt was significantly higher in households with permanent employment (62 per cent), compared to those without a steady wage (50 per cent). There was a significant correlation between income and debt with top earners having the greatest debt.

Based on the household livelihood survey results, there is little cushioning for extraordinary expenses, such as dealing with emergencies or capital expenditure/investment in the future, particularly in the light of unstable income sources. In addition, it is also apparent that borrowing and lending appear to be short-term, event-bound solutions for many households that are seriously challenged to make ends meet, as is seen in the relative debts that many of the households have.11 While the rolling out of services in ten years of democracy has considerably expanded access to public goods, it has also involved an increasing degree of monetization and cost-recovery. But while people are thoroughly incorporated into the monetized economy, they are unable to find any more than a marginal place within it, resulting in increased monetary impoverishment, with a specific impact on food security (i.e. hunger) and health issues (i.e. morbidity).

V. FOOD SECURITY

The most extreme expression of poverty is hunger, since the most basic bodily needs are not met. A high proportion of the poor experience extended periods of hunger the world over, being caught in a vicious cycle of chronic and severe poverty.12 Eighty-one per cent of households in the present study indicated that there was too little food available. Moreover, an average of 43 per cent of households experienced a food shortage at any given time of the year. The reported survival strategies in times of food shortage are summarized in Figure 4.

A strong relationship emerged between educational level and survival strategies. The higher the educational level within a household, the more likely members were to address the food crisis actively. Access to a permanent salary also increased the likelihood that households would employ a variety of strategies to secure food (including

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11 Financial Diaries Project (2005), "Findings in brief", Centre for Social Science Research, Cape Town, page 5.

https://repository.uwc.ac.za
loans and debt) - this was the case with 70 per cent of these households compared to 51 per cent of households without a permanent salary. This could imply increased resourcefulness among salaried households, or it could merely be a reflection of the fact that people with jobs are more likely to obtain credit and have a better social network.

Based on the overall subjective perceptions in the case study, the extent of hunger appeared to have increased over the preceding year. Fifty-four per cent of respondents felt that they were currently worse off, 27 per cent maintained that their situation was about the same, and only 18 per cent of households believed that their food security situation had improved over the last year. Furthermore, 55 per cent of all households indicated that their general food consumption had been less this year compared to last.

It is not surprising that more than 80 per cent of households had insufficient food, and that 70 per cent reported hunger, since 83 per cent of household incomes fell below the R 560 poverty line. Although there was a negative and significant correlation between hunger and income level, money is not the sole means of obtaining food. Livestock farming and home food gardening (i.e. urban agricultural practices) are two potentially effective means to food security that are not necessarily dependent on a monthly
income. However, livestock ownership is rare - poultry, the most commonly held livestock, is owned by only 11 per cent of households. Similarly, only 3 per cent of households engage in home food gardening (grains and vegetables), and do so solely for their own use and not for trading or selling.

There was no indication in the small number of households engaged in urban agricultural activities that home food gardening and livestock farming reduced vulnerability to hunger. The findings indicate that, at present, these activities are not effective in generating food security. The reasons may be related to the interplay between spatial constraints, infertile soil and continued migration from rural areas, resulting in further overpopulation in urban areas. In addition, there is the simple fact that plots are tiny, that open urban space is in short supply and often contested, and that projects in communal food gardening are often undermined by large-scale theft.

The quality as well as the quantity of food needs to be analyzed. Households with sufficient food volume may still be victims of undernourishment and malnutrition because their food may lack essential nutrients, vitamins and minerals. The household livelihood survey identified food substances and the frequency of their consumption. Alarmingly, more than half of all households (54 per cent) rarely or never consumed meat or eggs, 47 per cent rarely or never ate fruit, and 34 per cent rarely or never had vegetables. This implies that not only the quantity but also the quality of food was deficient. The apparent decrease in food security and the reported increase in the frequency of hunger indicate that living conditions were deteriorating for large numbers of people in the case study.

The close and complex interplay between food insecurity and poor health is particularly devastating, since the majority of poor people are dependent on their physical strength as a source of livelihood. Not only might food insecurity compound already poor health conditions, it might also be a causative factor in the way poverty traps function. While poor nutrition creates long-term health risks, it also exacerbates existing health problems, including the HIV/AIDS epidemic. For example, inadequate child nutrition creates long-term problems, including poor health, higher medical costs, mental retardation, poorer educational performance and lower labour productivity, and is likely to have a negative impact on overall life expectancy. This is in line with worldwide research suggesting that food insecurity can lead to devastating "under-investment" at crucial times in the human lifecycle, and can permanently reduce the capabilities of people.

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VI. HEALTH STATUS

Impoverished communities are typically at risk of poor health. There is evidence of mutually reinforcing interactions between malnutrition, poor hygiene and sanitation, morbidity and continued deprivation. No simple or direct correlation could be established on the basis of the data in the study, but it is notable that more than one-third of the case study respondents (37 per cent) claimed that their health was poor, and 36 per cent reported that they had not been able to access medical treatment when needed.

Other morbidity studies in the area have identified several factors that impact on both health and mortality. This is reflected in the two main causes of death, namely HIV and TB, or a combination of the two. The age-standardized mortality rate per 100,000 for HIV/AIDS is highest in Nyanga (146) and Khayelitsha (103), and lowest in South Peninsula (10) and Blaauwberg (23). While HIV/AIDS-related deaths, as well as those from other diseases such as TB, clearly play a major role in keeping people trapped in poverty, the converse is also true. The cyclical nature of chronic poverty renders poor households more susceptible to HIV/AIDS exposure, and thus infection.

It is important to investigate the extent of people's understanding and knowledge base of the epidemic in the light of HIV/AIDS mortality and low- and high-impact projections by Calitz. Eighty-six per cent of people interviewed in this study stated that they knew the causes of HIV/AIDS infection, while 75 per cent held the view 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 good understanding of HIV/AIDS and its implications. For example:

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

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16 Western Cape Provincial Government Records (2001), Cape Town.
However, it would be simplistic to assume that knowledge of HIV/AIDS alone can prevent infection, since other strong influencing factors such as gender relations, violence and social perception of risk need to be assessed in this context.

The apparent lack of basic HIV/AIDS knowledge exists against the backdrop of a very high prevalence of HIV-positive adults (22 per cent in Khayelitsha and 17 per cent in Nyanga, based on 2001 antenatal surveys). The present study identified additional factors contributing to ill-health, namely hygiene and sanitation, malnutrition and general risk factors.

First, the level of access to clean water and adequate sanitation is indicative of the overall hygiene level within a community, and of the risk of infections and illnesses. In this study, 51 per cent of households received water from water taps outside their shelter, 8 per cent had a tap inside their house, and the rest used public taps. Sixty per cent of households had access to a flush toilet, 13 per cent had pit latrines, 11 per cent had bucket toilets, while 10 per cent had no toilets at all. Only 17 per cent of households had a toilet inside the home, and the majority of households shared outside toilets. Thirty per cent of households reported difficulties in accessing a communal toilet, and 10 per cent had no access to toilets. In addition, despite the presence of hand-washing facilities near the toilet in 66 per cent of households, only 24 per cent had soap for washing hands after toilet use. Overall, the hygiene status appeared to be fairly poor, increasing the risk of infection from preventable diseases.

Second, as mentioned above, an inadequate diet resulting in malnutrition poses a health risk to impoverished urban communities. Malnutrition not only manifests itself in wasting, as a result of starvation or insufficient food volumes, but also in other forms, including obesity. Obese individuals in impoverished areas are often undernourished, and compensate with large amounts of cheap, unhealthy food that is easily available (e.g. high-fat, refined carbohydrates with low fibre and protein content). Obesity among women emerged as a problem in the case study, frequently leading to high blood pressure and diabetes. Based on the Body Mass Index (BMI) scores of the women who were interviewed, 70 per cent were found to be overweight (with 24 per cent overweight and 46 per cent obese) and only 28 per cent fell within the normal weight range. A further aggravating factor appeared to be the sedentary lifestyles of many women, due to crime and lack of physical activity. Interestingly, the few households that engaged in home food gardening showed a 56 per cent lower frequency of serious illness than those without. This finding indicates that home food gardens might provide an important food source that has a positive impact on general health status and also bolsters resistance to illness and infection in the study area.

See reference 16.
Third, general risk factors, such as water and wind damage and fire, exacerbated morbidity. At least two-thirds of homes were found to be susceptible to water damage, and the majority of shelters were at risk of fire and wind damage. Despite high accessibility to electricity (81 per cent of households), paraffin was the most frequently used fuel for heating and cooking because it was considered to be cheaper than electricity. Besides the negative health and environmental consequences, this practice also increases the risk of accidents and fire. The Markinor study indicated that 46,000 fires in South African homes annually are related to paraffin accidents, resulting in an estimated R 1.3 billion worth of property damage.²⁰

This nexus of poor living conditions related to shelter, sanitation and water, geographic isolation, insufficient access to electricity, low incomes and low educational levels seriously aggravated the problems related to ill-health and morbidity. The cumulative effect of high rates of obesity among women (a major contributor to high blood pressure and diabetes), in conjunction with high levels of HIV/AIDS, TB and assaults, increased these communities' vulnerability to falling into a spiral of chronic poverty.

VII. CONCLUSION

The findings of the present study reflect some aspects of the complex realities facing both the poor and, on a different level, policy makers and government. Poverty in Cape Town's African suburbs needs to be understood in the context of patterns of migration, mostly from the rural Eastern Cape.²¹ Urban and rural livelihoods are intimately connected by complex spatial strategies that need to be understood not only in terms of the "pull" of employment and the need to reduce vulnerability, but also in terms of longer-term lifespan strategies and processes of rural and urban investment. Within these strategies, the ability

²⁰ Ridyard, J (2002), "The heat is on", Citizen 5 June; also Star (6 July 2001), "New project aims to make paraffin cleaner and safer"
to secure reliable sources of income, particularly through regular employment, is of crucial importance. Cape Town’s urban economy, however, is failing to provide more than a small fraction of its African population with significant employment. While many eke out a living in a vital yet marginal informal economy, that informal economy is thoroughly linked to and dependent on the income that can be secured through participation in the formal job market - an issue that will be more thoroughly discussed in forthcoming publications. Those who are unable to find a foothold in the urban economy are highly vulnerable and are at risk of being confined to long-term poverty traps.