The social dynamics of rural poverty in the Eastern Cape

David Neves (with acknowledgement to Andries du Toit)
Institute for Poverty, Land and Agrarian Studies (PLAAS)
Overview

• Structural poverty & its causes
• Understanding impoverished livelihoods:
  i. Social grants
  ii. Informal economic activity
• Social dynamics
• ‘Informal social protection’
• The downside of ‘social capital’
Poverty in post-apartheid SA:

• Poverty & inequality = structure of economy (not cyclical; not choices of poor).

• Proximate causes: urban joblessness & rural de-agrarianization
  – Decline of smallholder agriculture
  – Decline of un/semi-skilled industrial labour
  – Small, constrained informal sector
Understanding impoverished livelihoods

• African households embedded in migrant systems:
  – High level of spatial mobility
  – Households ‘fluid’, ‘stretched’ and ‘porous’
  – Central role of ‘care chains’ (Hochschild)
  – Contested nature of householding

• Hence
  – Complex spatial configuration of livelihoods
  – Not unidirectional or simple circular migration
  – Households :‘rhizome’-like
Migratory dynamics

• Long ‘Struggle for the city’
• Post-1994 migration types:
  – Rural-urban oscillatory
  – Urban transitional
  – Intra-district rural
• Continued rural links, provide:
  – Back end of ‘carechains’
  – Part of ‘safety net’ & provisioning for retirement
  – Strong affective links (‘authentic home’)

A typology of households:
Du Toit & Neves, 2006

<table>
<thead>
<tr>
<th>Urban household</th>
<th>Rural household</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>with</em> rural pole</td>
<td><em>with</em> urban pole</td>
</tr>
<tr>
<td><em>without</em> urban pole</td>
<td><em>without</em> rural pole</td>
</tr>
</tbody>
</table>
I. Impoverished livelihoods: social grants

- Grants received by 15m, 25% of population
  - Old age grant & Disability grant ZAR 1080 (GBP 94)
  - Child grants ZAR 250 (GBP 22)

- Core component of SA social policy
- Shape: livelihoods, householding & demography
- Progressive tax & grants: ↓ inequality
- Concerns over: dependency, perverse incentives, moral hazards, largely misplaced.
II. Impoverished livelihoods: economic informality

• Constrained
• Low earnings; African female dominated; retail biased.
• ‘Survivalist improvisation’ (Davis)
• Multiple activities and elaborate inter/intra-household synergies (across actors, time, seasons)
• Articulates with formality (grant & wage income)
Social dynamics

• Social dynamics underpinned by practices of reciprocal exchange

• Analysis needs to go beyond ‘social capital’
  – Not ‘generalized social trust’, inhere in specific relationships
  – Exchange are complex & diverse
  – Shaped by access to resources, wealth and status
  – Shaped by social relationships, culture, ideology, frameworks of entitlement and obligation
'Informal social protection'

• Social networks key to understanding coping strategies
  – A terrain of delicate, complex negotiation and contestation

• Spatially extended nature of social networks means they are a key axis of rural-urban linkages
  – Central role in linking formal and informal
  – Key to the distribution/transmission of resources, shocks, opportunities across spatially extensive areas
  – But highly unequal, and marginalizing
The downside of social capital

- Mitigate poverty and vulnerability
- But
  - Are thinly stretched and overburdened
  - Do not work in fair or equitable ways
  - The weakest / most marginal face constraints (resource and labour) to exchange
  - Incorporated on unfavourable terms
Thank you