

Urban poverty in Cape Town

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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. INTRODUCTION¹

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.² 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 geographies³ 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.⁴ 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

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).

² Cole, J (1987), *Crossroads: The Politics of Reform and Repressions 1976-1986*, Ravan Press, Johannesburg; also Giliomee, H and L Schlemmer (editors) (1985), *Up Against the Fences: Poverty, Passes and Privilege in South Africa*, David Philip, Cape Town; Hindson, D (1987), *Pass Controls and the Urban African Proletariat*, Ravan Press, Johannesburg; and Tomlinson, R and M Addleson (1987), *Regional Restructuring under Apartheid: Urban and Regional Policies in Contemporary South Africa*, Ravan Press, Johannesburg.

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

⁴ Development Bank of Southern Africa (DBSA) (1998), "Western Cape: development profile 1998", Development Paper 132, DBSA; also O'Leary, B M et al. (1998), *Service Needs and Provision in the Western Cape*, Sigma Press, Pretoria.

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.²² 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.

²²Du Toit, A, A Skuse and C Cousins (2005) (forthcoming), "The political economy of social capital: chronic poverty, remoteness and gender in the rural Eastern Cape", PLAAS/CPRC Working Paper, unpublished typescript, Adelaide and Bellville. economy of social capital: chronic poverty, remoteness and gender in the rural Eastern Cape", PLAAS/CPRC Working Paper, unpublished typescript, Adelaide and Bellville.