

The micro-economics of squatter settlements

M. G. Whisson

Professor Whisson, professor of anthropology at Rhodes University, gave this address to Albany Black Sash on October 5, 1978

OF the past I want to say just one thing, because it sets the scene for the future. It is that the evidence suggests that the blitz on the peri-urban shanties is not a mindless display of bureaucratic beastliness, but wholly consistent with the premises on which Cape Society is governed and has been governed since the slaves were liberated. The premises are these — that the economic and political interests of all whites shall be paramount; that 'coloured' people will be allocated such resources as they need to make the most economical and effective contribution to the welfare of the whites; that blacks will be accommodated only insofar as they are necessary to fill the gaps left by inadequate numbers or quality of 'coloured' labour.

Evidence for those premises is provided dramatically in the field of housing and unemployment relief measures. When the white 'bywoners' invaded Cape Town after the 1914-1918 war and the depression struck, the state responded by producing an emergency system of public works to employ those who could not even be accommodated by the railways. The generous public of Cape Town, inspired by Bishop Lavis, enabled Epping and Thornton to be built to accommodate the needy whites. Thus was the poor white problem solved. After 1945 it was the poor brown problem that impinged on the consciences, health fears and aesthetic sensibilities of the city fathers, so they built housing schemes across the Cape flats for the people in overcrowded District Six and in the shanties. With the completion of Group Areas proclamations and removals, at least 120 000 'coloured' people will have been compelled to leave their homes to join their fellows on the flats. Choice areas of Mowbray, Rondebosch, Newlands, Claremont and Wynberg have been bleached of their old residents, Chelseafied and made available to smart young whites.

Blacks were merely tolerated and since 1966 no new homes have been built to accommodate even the natural increase by a population whose roots in Cape Town go back well over a century. What hope then for new arrivals like women coming to find their migrant menfolk? No hope at all, and with the recession and rising unemployment among 'coloured' people in Cape Town the

natural and predictable response of the Government has been to export unemployment by driving out the blacks. The fact that 80 per cent of the black men in Crossroads are employed in Cape Town is irrelevant to the logic — 5 000 black workers sent away means 5 000 less unemployed coloured men. If there is a last minute suspension of sentence on Crossroads then it will be because of the economic needs of Cape Town business and not because of any compassion on the part of the authorities. So Crossroads will go, and we can expect 20 000 more mouths in the Eastern Cape, Ciskei and Transkei within the next year or so. What then?

I want to suggest to you a very simple economic or ecological model of how a community such as Crossroads, Fingo Village, Glenmore or Bridges Farm operates. If we can clear our minds with the aid of such a model, then we may be able to find ways in which we can help communities dumped far from the cities, and not exhaust ourselves and our reserves in emotional responses.

We assume that the community is a bounded group, usually with a physically identifiable boundary. Within that social and physical boundary there are resources. There may be space to grow crops. How can output be maximised and secured? At Glenmore there may be small holdings and garden space. Can we advise people on what to grow and how to grow it to their greatest benefit? There may be minerals or workable clays. Then people will bring some capital resources, sewing machines for examples. They will also bring their strength, skills, knowledge and experience.

These are resources available for use in the community, and my information is that the range of resources in Fingo Village is more substantial than the passing eye will see.

But they are totally inadequate for survival in a complex society like ours and the survival of the community will depend on the level of economic activity around the community or, in terms of my model, on the flow of resources into and out of the community.

The greater the flow and the greater the level of economic activity the better for the people. The most useful contribution that anyone can make is to increase the flow either by pumping in resources or by demanding the paid services

of the people to enable them to suck in the resources they need for themselves.

Let us look at the list:

- **Social resources:** Health and education. Are the resettlement areas going to be equipped before the people come or only after they have come? What is the most effective means of urging the authorities to make proper preparations in advance for schools, clinics and shops?

- **Raw materials:** What are the skills of the people that can be utilised in production? The goods produced may be for home consumption, like jerseys or other clothes, thus limiting the outflow of resources in that direction. But more important, is production for the market? Do we know what low skill, labour intensive manufactures are possible?

Wages may be horrifyingly low from such work, but unless there is some income there is no food. Minimum wage legislation in a situation of chronic unemployment and under-employment creates more problems than it solves.

- **Receipts from the sale of manufactured goods** depend largely on good marketing. This is a highly skilled game but the skills are available to be trapped.

- **Family income:** Wages from work outside the community and migrants' remittances are crucial to the survival of the community. The family income of a migrant worker and his family in the Ciskei is about the same as that of a migrant with his family in a Crossroads shack, but the expenditure patterns of necessity differ and there lies the rub.

What this means is that the local employment need not be as well paid as migrant wages to achieve equivalent levels of communal welfare.

Charity depends very largely on visibility, as does protest. It is harder to work up enthusiasm for a place far away than it is for the immediate needs of those around. Charity is an unreliable source of income, but it is not insignificant especially when used as a pump priming donation to facilitate income generating activity.

- **Capital** costs money but it is basic to productive industry. It is a scarce resource to be mixed with as much labour as possible where labour is plentiful. It may be more economical to hand-dig irrigation ditches than to machine-dig them in terms of the flow of resources so generated. People, like horses, have to eat whether they work or not. Machinery can be dispensed with

and does not use fuel when at rest. The costing in terms of economic welfare is not complex but neither is it obvious to major construction firms concerned with maximum utilisation of their plant and with their own profits.

- **Illegal income** is hard to assess, but certainly easier to come by in towns than in distant dumping grounds.

Finally people need food, clothes and materials for shelter.

If we compare, say, Crossroads with a rural settlement like Glenmore we can see at once how much greater is the potential lack of economic activity in Crossroads. A Red Cross hospital is near by; there is a market of about a million people within 20 miles — a market for products and for labour; there are welfare organisations and wealthy patrons to provide a charitable input. Capital can be attracted even at a commercial level despite the competition. The scope for illegal activities — begging, gambling, shebeening, prostitution and theft — are much greater (and, note, some of these 'illegal' activities do not produce victims other than willing and eager ones!). Food and clothes are probably cheaper. Only shelter materials cost more in a shanty area, but this is offset by lower rent payments.

On the outflow side, transport costs are a major problem for migrants, as are fines and time wasted in jail for shanty dwellers.

All in all then, the economic loss suffered by a move from Crossroads to Bridges will be substantial as will a move from Fingo Village to Glenmore.

Finally, a word about 'the informal sector'. This refers to business activity carried on within the community without legal recognition. It may generate income from outside like bottle-collecting for sale and re-cycling, and may enhance the value of materials through a manufacturing process — like baking cakes for sale in the community. It is important for morale and important as a means whereby income can be redistributed within the community, wages from outside being spent inside and passed around before flowing out for essential food and raw materials.

It has a romantic image and is evidence of both entrepreneurial potential and an indomitable spirit to survive, but its real economic contribution in our situation is small relative to community needs.

These are the sort of areas where we might apply pressure, inject resources and make enquiries about available resources and potential.

'Mr Oosthuizen (senior hostel superintendent) said there were 20 bathrooms and 17 had hot and cold running water. "And we are doing our best to fix the remaining three." A worker, who said his job was cleaning the bathrooms, told me: "Only three bathrooms have hot water".

I saw eight naked men in the open washing from sinks on an outside wall of one of the bathrooms. The men claimed they did not use the bathrooms because the shower pipes did not have spray fittings.'

Report on a visit by SUNDAY EXPRESS journalists to Dube Hostel