

# THE CARNEGIE CONFERENCE —

## Poverty and Development in Southern Africa

The Second Carnegie Inquiry into Poverty and Development in Southern Africa is a three-year undertaking which has slightly more than a year still to run. The first phase of the Inquiry culminated in a major Conference at the University of Cape Town from 13 - 19 April organised by the co-ordinators of the Inquiry — the Southern African Labour and Development Research Unit headed by Professor Francis Wilson.

According to my programme 298 papers were presented — with up to 20 small-group sessions taking place at one time. There were a series of parallel 'demiplenaries' for report-backs from the small-group sessions, and full plenary sessions to which certain major, and in some cases simply representative, papers were presented. In the second half of the Conference delegates participated in discussions in Working Groups in an attempt to summarize material in areas of interest and reflect on policy recommendations; these latter were also reported to plenaries. Sandwiched in between all this normal conference activity was the showing of a collection of films entitled 'Festival of Hope' — which reflected Third World experience in tackling poverty and development problems. There was a striking exhibition of photographs around some of the themes of the Conference — with 20 exhibitors. Omar Badsha, the co-ordinator of the group of photographers, wrote in a programme introduction that "The late Seventies has once again seen the emergence of working class and popular resistance to Apartheid. It is within this new movement that a School of social documentary photographers is emerging". Paintings were also on show — some of which had emerged from painting workshops organized for children at the Nyanga Arts Centre and for adolescents from a resettlement camp close to Mafikeng. And at lunch-times music, dancing and drama groups performed.

I looked at some but not all of the photographs. I particularly remember David Goldblatt's sequence 'The Bus Riders of KwaNdebele' with its extraordinary images of long-distance commuters by the side of the road, blanket-wrapped against the cold, illuminated by the headlights of a bus pulling in at 2.45 a.m. to take them a 3-hour journey to Marabastad on the first stage of the trip to work in the Pretoria area. I was not able to get to the films however (apart from Ray's "Distant Thunder" about the Great Bengal Famine of

1943) and will confine myself in what follows to some impressions of, and reflections on, those parts of the research-and-discussion core of the Conference which I was able to sample.

### OBJECTIVES

Perhaps the place to begin is with the objectives of the Inquiry which are involved with the assumptions of both Conference and Inquiry. The underlying presumption is that there is a poverty problem — and that, especially in rural areas, it is "extremely serious". Before the Conference Wilson went on record in the **UCT Alumni** magazine as saying that the first results of research had confirmed this view: "With every day that has passed, the evidence tells us yet more firmly that there is a rural crisis upon this country which we ignore at our peril." The initial goal of the Inquiry was to document the facts — "a scientific investigation into poverty in all its dimensions in this country". The facts would help to generate a debate about the causes — in a deep sense. And that debate would lead on to a fruitful consideration of policies or "strategies for action" — "both short-term ways and means of fighting poverty within the present situation and long-term solutions like, for instance, land reform".

Two comments are called for. First, the Inquiry has not to date adopted a formal definition of "poverty". This was almost certainly a sensible way to proceed given the difficulty of formulating or agreeing on a definition. However there are costs to proceeding in this way. Given some hard work it is possible to measure the incomes of households in certain peri-urban areas, for instance. But are they poor? If yes, how poor are they? Are they poor enough to constitute what might be called a "poverty crisis"? In some cases most observers would agree, in other cases there would be less agreement. Thus David Webster, an anthropologist from Wits, presented a picture of the "embattled working class" in Soweto as involved in a "struggle for survival" (Paper No. 20) although overall socio-economic circumstances are such that a social norm has emerged which prescribed that at least R500 be spent on a funeral. There were papers tabled at the Conference which addressed problems of the definition and measurement of poverty, but they did not affect the climate of thinking. One is left with a certain unease.

The second comment that comes to mind about the assumptions of the Inquiry is that the certainty that there is a poverty problem with crisis-proportions (whatever exactly that means) in Southern Africa is a little surprising – even for rural areas. There is now considerable evidence that the 1970s (as a result of a number of factors) saw substantially rising African real wages, and a shift in the share of total personal incomes from Whites to Blacks of some 10%. Since the massive increase in real wages in mining and the switch to recruiting South Africans rather than Malawians and Mozambicans benefited migrant **rurally-based** workers, circumstances would have to have been very strange for none of the benefit to reach rural areas. Jerry Eckert and his colleagues in the Lesotho Agricultural Sector Analysis (LASA) project decided that there had been a contraction of the area under cereal cultivation in the 1970s and hypothesised that this was because households dependent on goldminers were better off.

Of course this is not the whole story: we are told influx control has tightened, there have been substantial resettlements of population, and unemployment has been rising on trend – and it is probable that these features of the scene will be born in on one very forcibly if one has one's roots in Cape Town and the Ciskei (as Wilson does), the more so as the second of these areas is the periphery of a **declining** metropolitan area.

Anyway, the 'poverty-crisis' view was not imposed by the organizers. They issued a call for papers on the theme of "Poverty and development" and were quite willing to receive reports which did not share their assumptions nor fit easily into the presumptive picture they had in mind. Indeed, as we shall see, a major paper reported increased incomes and reduced measured poverty for a majority of 'homeland' inhabitants and caused some consternation. I think this openness on the part of the Conference organizers is to be applauded.

It is also worth remembering when one is told that Government departments and Government supporters were 'excluded'. It is unfortunate that major figures in Afrikaner social studies research, some of whom have been actively concerned with poverty and income distribution – such as Professor 'Sampie' Terreblanche were not there and did not contribute papers. But the second-in-command at the Human Sciences Research Council was, and so were research and publications staff from the new Development Bank as well as the leadership of the new Development Association from UNISA and the University of the Orange Free State. A substantial number of authors have been invited to publish their papers in the new journal of the Development Bank and one may expect that part of the message (or messages) of the Carnegie Inquiry will reach a wider audience in this way.

## FACTUAL RESEARCH

I have no doubt that whatever else may come out of the Carnegie investigation the detailed factual research on poverty (i.e. the incomes, material living standards and quality of life of those in the lower range of the South African distribution of income) that it has sponsored, or co-ordinated, or simply provided a platform for will justify its existence. For years to come the Carnegie papers will be mined for information. I have no doubt that it will find its way beyond the academic sphere.

Both planners and politicians searching for ways to 'legitimate' the process of controlled change now under way, and those seeking to mobilize political forces to wrest power from its current controllers will need the findings collected for the Conference. One hopes that ways will be found to summarize much of the mass of information into a more readily assimilable form and scale.

The coverage is extraordinary. There are **area studies** in which the main focus is on incomes and poverty in over 50 localities (on my count) – including the main metropolitan areas, smaller 'platteland' towns (mainly in the Karoo), peri-urban belts, rural areas – both White-owned farming areas and 'homelands'. There are other papers, often of course relating primarily to some or other locality, which are concerned with **aspects of poverty** or poverty-related questions, e.g. basic needs and their provision, resettlement, legal provisions – especially influx control – conducing to poverty, education, labour and unemployment, the new independent trade unions, "the social wage" – unemployment insurance, injury compensation and working conditions, the State allocation of resources on social services and public goods, old age pensions, ecological issues, water supplies, fuel and energy needs of the poor, housing and urban planning, health and poverty, food and nutrition, "informal sector" activity, methods of rural development, industrial decentralization, and so on. Some papers also touched **questions of policy** or technique (apart from those implicit in the topics already listed) : school-feeding, food-stamp schemes, the organization of farmers' associations in KwaZulu, a redesign of the social security system, lessons for South Africa from Zimbabwean post-independence experience with rural health services and public work programmes "as the core of a rural development programme". I hope that this inelegant shopping-list approach to discussing coverage will at least inform potential customers for the papers (available from SALDRU, School of Economics, UCT, Private Bag, Rondebosch 7700) about whether their areas of interest were dealt with. In what follows I shall simply write about a few matters which interested me.

## INCOMES OF THE POOR

Jane Burnett Prinsloo reported a study of income, expenditure and earning patterns in 13 localities – of which 5 were in Cape Town and 8 in the Durban area. (A much longer report which will include material on attitudes and perceptions of people living in poverty will be published by SALDRU). There is much of interest in this careful piece of research with its intensive statistical processing. What particularly interests me are the differences that emerge between Cape Town and Durban, and the possible reasons for these. In Cape Town the sample includes households from an African squatter settlement (Crossroads), an African township (Guguletu), 2 Coloured townships (Uitsig; Bonteheuwel) and a Coloured squatter settlement (Modderdam). The Durban localities are all inhabited by Africans – and are either townships (Chesterville, KwaMashu, Lamontville, Umlazi) or squatter settlements (Clermont, Folweni, Inanda, Malukazi). Prinsloo calculates the percentage of households which are below the Minimum Living Level (M.L.L.) as defined by the Bureau of Market Research at UNISA; the range is from 8,7% (Guguletu) to 66,7% (Lamontville),

or from roughly 1 in 11 households in Guguletu to 2 out of 3 households in Lamontville. Within that range the five Cape Town communities all have lower percentages 'in poverty' than do the Durban communities: the highest Cape Town figure is 32%, the lowest Durban is 41,3%. A similar picture emerges if one looks at calculations of monthly per capita income for these areas. The range is from Bonteheuwel (R100,72) to Malukazi (R45,60); again, the Cape Town incomes are higher than those in Durban with the exception of a reversal in the case of Inanda (R71,27) and Crossroads (R71,01).

Prinsloo also asked enough questions about unemployment to be able to calculate estimates of the unemployment rate according to three different definitions. Taking the "active work seekers" definition, which is what the official estimates are based on, an overall figure of 9,46% emerges. All the Cape Town rates are below this average; while the Durban squatter settlements average 14,49% and the Durban townships 15,84%. A similar picture results using the other definitions; in terms of what Prinsloo thinks is the most appropriate definition the overall figure is 16,91%, all the Cape Town figures are below this (ranging from 7,49% to 14,67%) and the Durban figures average 24,55% for squatters settlements and 29,02% for townships. (Prinsloo's paper was No. 16).

All these figures have some interest in themselves. When compared in this way they immediately raise the question whether we are not seeing the consequences of influx control (Cape Town) and of influx control substantially (though not of course entirely) circumvented (Durban). As a result of some townships being part of KwaZulu and of squatter areas in KwaZulu being within easy commuter distance of Durban and related labour markets, neither residential control nor job access control function in the Durban area as they do in Cape Town. If this is true (and it would need more careful analysis than I have given it here) then here would be an aspect to the phasing-out of influx control which many who call for it – and it was insistently called for at the Carnegie Conference – may not be fully aware of.

Of course for the full picture to be considered we need to measure incomes in the more distant rural areas from which the urban influx takes place. In a study which Gandar and I did in Mahlabatini (1981) the average monthly per capita incomes were roughly R14,50 (Paper No. 56) whereas the lowest Durban-area figure reported by Prinsloo in 1982 was R45,60. Elizabeth Ardington reports incomes for Nkandla and Isithebe in two excellent, detailed and thoroughly-worked reports (No. 53a and b; No. 246). In 1983 the median monthly per capita income in Nkandla was just under R12. In this study, as in the Mahlabatini work, a serious effort was made to measure "income" from subsistence agriculture – it is not simply ignored. It is difficult to believe that these rural inhabitants are not materially poorer than the squatter-inhabitants of Malukazi.

#### ARE 'HOMELAND' INCOMES RISING OR DECLINING?

It is important for various reasons to know what the inhabitants of Mahlabatini and Nkandla and many other rural areas have available as 'income resources' now. But it is also important to be able to put current incomes in a time-series. Is there a time-trend? Is it rising or falling or roughly constant? Charles Simkins addressed himself to this question in a fascinating paper (Paper No. 7).

One is so accustomed to the "dumping-ground" views of the "homelands" and the view that most increases in incomes are going to a limited class of State employees that Simkins's findings that real increases in family incomes in the 1960-1980 period extended down to the 15th percentile in the income distribution (i.e. were participated in by the top 85% of the distribution) came as something of a shock. To me it was a very pleasant shock, but apparently not to many who heard it.

It is simply not possible here to write about the paper in any detail. One ought however to make clear that these results are not based **directly** on surveys or measurements of income. No such comprehensive measurements of incomes exist for the "homelands" for this period. Simkins has used a method of **simulation** to synthesize an artificial population which has the overall characteristics we do know about from Census reports and other surveys. Individual characteristics are assigned on a random basis and households formed in a similar fashion. The simulation then traces normal demographic processes over time given what we know about births, deaths, migration, employment and unemployment and so on. The current estimates are 'first runs' and results may well come to be modified as the work is refined; though Simkins himself at this stage is fairly confident that the overall character of the results will not change.

I think it is also important to note the "underbelly" of the results. In his simplified model in which only four components of income are considered (agricultural production, pensions etc., remittances from migrants, incomes of commuters and those locally employed) Simkins has the bottom 5% of the distribution as being "destitute" (zero income) in 1960, and 13% in 1980. Since the overall homeland population has grown very substantially in the period, 5% of households involved a quarter of a million inhabitants in 1960, but 13% was close to one-and-a-half million people in 1980! (Of course there is a problem with this result, too – after all, those "zero incomes" are not literally zero.) Again, he measures about 99% of households as below the **urban** Minimum Living Level (M.L.L.) in 1960 – a figure which declines to 81% by 1980; but the absolute number of people below the M.L.L. increases. Simkins highlighted the downwards trend in the percentage; others have chosen to emphasise the increase in the number of poor.

It is rather interesting to ask why some people were angered by the initial presentation of the Simkins results, and others pleased. As a guess I would say those who were angered were those committed to the view that a total recasting of the socio-economic and political system in this country is called for – a commitment in which they are confirmed by the evident failure of the system to cope with poverty, in fact by its tendency to create poverty. Confronted with the view that poverty may actually be being reduced in the least likely places, this whole identity-related commitment is called in question. My own view is that there is not going to be a total recasting of the socio-economic and political system in the next 15 years or so and so it is very good news that at least in some senses and some areas poverty can be reduced even under the current dispensation. Which still leaves open the question, as Simkins asked at Carnegie, how can we speed up the process and help it along? □