

Abstract

This paper describes the findings of case studies-based research on how poor and marginalised people in post-apartheid migrant networks seek to ameliorate poverty and manage their vulnerability. It argues that the ways in which people make decisions regarding formal social grants and cash transfers, their utilisation and their indirect impacts need to be understood in the context of the pre-existing and underlying systems and practices of informal social protection (Bracking and Sachikonye, 2006). These informal strategies are shaped by two key phenomena (du Toit and Neves, 2008): complex, spatially extended, de-centred social networks; and deeply sedimented and culturally specific practices of reciprocal exchange. This paper shows how social grants are used in this context, and illustrates how cash transfers allow poor and vulnerable people to make 'investments' in human, physical and productive capital. The paper argues that a crucial aspect of the impact of cash transfers lies in the way they allow the leveraging of scarce resources within networks of reciprocal exchange. Social grants thus have an impact far beyond the particular groups targeted in official plans, often providing key resources for those who would otherwise be marginalised. At the same time, they have only limited utility in addressing the core dynamics that drive chronic poverty. Reducing structural poverty in South Africa requires measures that address the underlying problems of structural unemployment.

Keywords: Structural poverty, Social policy, Informal social protection, Cash transfers, Vulnerability, Social capital, Migrancy, South Africa

Acknowledgements

This paper makes use of case study material and arguments originally discussed in a research report commissioned by the South African Treasury and funded by USAID. Funding for further analysis and writing up both for that report and for this paper was provided by the Chronic Poverty Research Centre (CPRC). The research would not have been possible without the expertise and hard work of the field workers who participated in the project: 'Xaks' Dabula, Sibongile Mtini, and Zuko Ndamane. Many intellectual debts were incurred during the research and write-up phases. The authors gratefully acknowledge the insights and arguments offered in particular by Francie Lund and Armando Barrientos.

Andries du Toit is the deputy director of the Programme for Land and Agrarian Studies (PLAAS) at the School of Government at the University of the Western Cape.

David Neves is a researcher at PLAAS the Programme for Land and Agrarian Studies (PLAAS) at the School of Government at the University of the Western Cape.