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***Trading on a Grant:
Integrating Formal and Informal Social
Protection in Post-Apartheid Migrant Networks***

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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

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1 Introduction

South Africa's social protection system plays a key role in the attempts to alleviate the effects of chronic poverty and deepening inequality. Since the 1994 political transition, the South African government has invested significant resources in rolling out and broadening its formal system of social grants, more than tripling annual state expenditure on social grants in the decade since democracy. Ten million South Africans are currently beneficiaries of direct state cash transfers. There is a broad consensus that the programme has made a significant impact on the incomes of the poorest (see e.g., Ardington and Lund, 1995; Case and Deaton, 1998; Lund, 2002; Barrientos, 2004; van der Bergh et al., 2005). At the same time, the debate about its indirect impacts continues. Some studies find that cash transfers (particularly to women) show a clear positive impact on the health and nutrition of other household members (Case, 2001; Duflo 2003). Some, however, argue that social grants have had perverse effects, for example, leading to a reduction in remittances from children living away from home (Jensen 2003), while others argue that cash transfers lead to a sharp drop in labour participation in the receiving households (Bertrand, Mullainathan and Miller, 2003). The latter conclusion, in turn, has been questioned by Posel, Lund and Fairburn, who show that the argument by Bertrand, Mullainathan and Miller ignores the realities of oscillatory rural-urban migration and the crucial role played by non-resident household members (Posel, Lund and Fairburn, 2006). They point out that when these are taken into account, the figures show that cash transfers can lead to increased labour market participation by rural African women.

In this and a related paper by du Toit and Neves (2008), the authors attempt to contribute to this dialogue by considering the social context in which these dynamics are played out. This is done through an account of the observations that emerge from a series of in-depth case studies of selected households in Khayelitsha sites B and C in Greater Cape Town, and villages in rural Mount Frere district in the Eastern Cape. These data were collected predominantly in 2005 as part of a research project examining vulnerability, and the role of social protection (i.e., social grants) within impoverished households in the context of post-apartheid migrant networks (du Toit and Neves, 2006). This research particular project, in turn, draws on an earlier poverty survey in 2002, and compiles its in-depth case studies based on a series of visits and interviews conducted over a 12-month fieldwork period. Significantly, the research team sought to include in the analysis not only members of the focal households but also ancillary households identified either as significant recipients or dispensers of beneficence vis á vis the index households. Thus the project was able to assemble detailed case studies of the focal households, and to capture not only the array of livelihood supporting activities these families, but also the complex social relationships that trigger and promote these activities.

The present paper begins with a brief discussion of the broader context of vulnerability and poverty experienced in post-apartheid migrant networks. This is followed by a brief summary of what the case studies revealed about the informal social protection systems used by the poor and marginalised. The paper then proceeds to present two detailed descriptions and two shorter vignettes, to illustrate how households make use of social grants and transfers. Next, the broader discussion situates the case-study description within a wider context and illustrates how grant-expenditure decisions are shaped by livelihood opportunities and the underlying strategies and arrangements of informal social protection. The paper reviews the diverse outcomes and options open to households and individuals, and concludes with general remarks on how the role of social grants within the informal social protection ought to be conceptualised.

2 Managing vulnerability in post-apartheid migrant networks

2.1 Patterns of grant receipt and usage among households in the study

Elsewhere the authors (du Toit and Neves, 2008) argue that informal strategies for social protection are shaped by two key phenomena. First, they are crucially dependent on the complex, spatially extended, de-centred social networks created in the context of domestic fluidity and porosity of continued migrancy. Second, these networks are partly made up of – and provide the underpinnings for – deeply sedimented and culturally specific discourses and practices of reciprocal exchange. These practices and arrangements play a key role in the process of individual and household-level decisionmaking about livelihoods, many of which are, in part, decisions regarding how opportunities and resources (or shocks and costs) are to be distributed within the larger spatially extensive networks. As such, these networks can alleviate poverty and vulnerability. But they can also erode resources, transmit economic shocks over vast distances, and can frequently involve highly unequal and exploitative forms of exchange. Understanding how social grants are used requires knowledge of the power and importance of informal social protection systems, as well as of their limits and potential adverse impacts.

The 2005 research on vulnerability and social protection mentioned earlier examined and conducted interviews with 48 households before selecting 11 as case studies for in-depth analysis. Although the focus of the 2005-06 research was on social reciprocity and livelihood activities that enable impoverished households to survive, it was not particularly concerned with recording household income and expenditure in detail. Instead, the flow of resources (including income) was documented simply in order to understand better the broader household-level dynamics. However, at the same time, the detailed qualitative inquiry did elicit information on typical monthly household income, expenditures, how social grants were spent, and how decisions were made with respect to grant expenditure.

As can be expected with a sample of impoverished households, a large proportion of the households were recipients of state social grants. Some 15 percent of the individuals in the Cape Town urban survey, and 21 percent in the Mount Frere survey reported drawing some form of grant in 2002 (including adults receiving child care grants on behalf of children (Table 1). When these are aggregated to household level, 41 percent of the households in the in Cape Town study and a massive 65 percent of the Mount Frere households were social grant recipients (Table 2). The present project selected half of the households from the poorest quintile, thus the proportion of grant recipients was quite considerable: only nine of the 48 households selected for the in-depth study in 2005 reported not receiving grants at the time of the research. Furthermore, two of these households were eligible but the child grant had been discontinued for some unexplained reason, and where the child's carers were either in the process of reapplying or intending to reapply.

Table 1. Individuals reported to receive social grants

Type of social grant	Mount Frere	Cape Town
Pension allowance	13.19	3.48
Disability allowance	1.31	2.58
Child maintenance grant	5.77	6.91
Child care allowance	0.42	0.24
Care need allowance	0.27	1.02
No grant	79.05	85.77
Total	100.00	100.00

Source: CPRC/PLAAS livelihood survey (2002).

Table 2. Distribution of receipt of grants across households

Number of people in household receiving grants	Mount Frere	Cape Town
0	35.98	59.26
1	31.52	26.89
2	20.78	10.14
3	7.95	2.58
4	1.95	0.64
5	0.98	0.32
6	0.56	0.16
7	0.28	0.0
Total	100.00	100.00

Source: CPRC/PLAAS livelihood survey (2002).

In many cases, the interviews collected detailed information on how grants were spent (see below). In most instances, the informants' reports on grant expenditure were of a general nature, listing only usual items without attempting to detail each expenditure for the month in question. More importantly, the interviews also provided information on the use of grants not only within the focal household but also in the households to which they were (at times, distantly) linked, as well as on the impact that the receipt of grants and expenditures had on the spatially distributed care chains and migration decisions.

Clearly, grants made a significant impact in most households to their day to day survival, allowing these to secure basic energy and food needs for the recipients as well as for other household members. At times, the difference this made was crucial, and as is discussed below, even a relatively small grant (such as the R180 in child support grant in 2005) could be split between more than one household. Of course, advantage to household members other than the primary target is a well established feature of grant usage in South Africa (Duflo, 2003) and the present study identified a large number of cases where more than one were 'eating from the grant'. In fourteen cases, concentrated mostly in the Eastern Cape, receipt of a pension or a disability grant also made it possible for the recipient to become involved in care work, looking after children (including those eligible for child support but who had not applied for it) or a relative. Here, as other researchers note (Case and Deaton, 1998; Sagner, 2000; Barrientos, 2004; Goldblatt, 2005), disability grants and pensions can be shown to play a vital role in underpinning and enabling the spatially extensive 'care chains' that allow rural households to take care of the children of urban kin.

The study also documented at least ten cases (out of a total of 42 grant-receiving households) where the receipt of social grants triggered other economic activities or investments, functioning as seed money or as operating capital for informal economic activity by the recipient households. Social grants occasionally facilitated agriculture in rural locales by allowing recipients to pay labour or for ploughing. Grants also enabled people to acquire or improve homes, as the following example of the Mashiya family demonstrates. There was also evidence of grants being invested directly and indirectly to support children's education or their access to the job market (du Toit and Neves, 2006). Later in the paper, we explore in more depth how decisions regarding such investments are made, and how social relations shape them.

3 Making decisions about grants

Detailed case studies can highlight important aspects of how poor households use social grants, and point to the complex decisionmaking processes that underpin these. We begin by considering two stories from the 2006 study.

The Mashiya family: Doing so much with so little

At the time of the study, the Mashiya household consisted of four generations: Thandeka Mashiya and Sibongile, her 11-year old daughter, Bulelwa, the middle-aged mother, and Nolinda, elderly grandmother (in her eighties); they lived in three small mud block huts in the former Transkei.

*If the Mashiya family's collective life stories suggested at the household's long-term marginality, their general response to the research team partially revealed how they had survived. The Mashiyas were amongst the most courteous and hospitable rural respondents visited by the research team. Socially confident and chatty, the Mashiyas never seemed to tire of talking to the researchers, even after half a dozen long interviews. Despite the fact that they were impoverished, with little income and few assets, the Mashiyas had a rich associational life within the village and generally enjoyed the respectability and confidence of those around them. Bulelwa was the chair of a recently established local agriculture development project. Although unremunerated for these efforts and owning no garden or livestock of her own (apart from two pigs), Bulelwa diligently tended the communal fields during growing season. Uncertain of what the final benefit would be, she explained that the household had 'eaten [vegetables] from the project'. In addition, both Bulelwa and Thandeka occupied prominent positions in the complex organisational arrangements required by village funerals, and the frail yet lucid Nolinda was occasionally consulted on the appropriate conduct of various traditional ceremonies. These various roles reflected their **isidima**, their status, dignity and respect within the village.*

The most noteworthy aspect of the Mashiya family's livelihood was that they did so much with so little. Their income in 2005 consisted of R780 from the state old age pension, and some very minor informal trading. This consisted of keeping the money left over from monthly groceries in a small container to buy and resell sweets in order to purchase a little paraffin: there was also some small and erratic remittances from Bulelwa's son or her married sisters (on average, about R150 per month). Finally, while Sibongile had received child support grant (CSG) payments for a few months, these ended abruptly, and their efforts to get the grant reinstated failed.

The Mashiyas had a long tradition of managing their resources carefully. During their employment as domestic workers in various urban centres, the three adult women took 'live-in' positions. The resultant savings on accommodation and food costs often allowed them to remit a large proportion of their salary (for example, Bulelwa reported to have sent home up to R450 out of her monthly salary of R500). Another remarkable aspect was the way in which they managed to provide funds for upgrading their accommodation and health related expenses. The current overhaul of the mud block hut cost about R3000 in building materials (corrugated iron roofing, timber, doors and windows), which were obtained from a hardware store with a small deposit. The regular pension income of the Mashiyas helped in part to convince the hardware proprietor that they were a sound credit risk. Their respectability and isidima obviously played an equally important role: the Mashiyas were well regarded, and would not renege on a debt, even if repayment took many months. In addition, the Mashiyas estimated that they saved R100-150 each month to be drawn on, if the elderly Nolinda were to fall ill. Although there was a village clinic, it was considered by many, including the Mashiyas, to offer relatively poor quality care (a clinic sister conceded that drug shortages were common).

The Mashiya family (cont'd)

Moreover, in the case of any serious ailment or referral to hospital, they would have had to rely on the chronically unavailable district ambulance. Instead, as the Mashiyas reasoned, it was better to catch the bus or hire a vehicle to get Nolinda to a private doctor in town.

Despite being income poor and subsisting on little more than a single old age pension and the odd remittance, careful leveraging of their resources enabled the Mashiyas to eke out a living and even make provisions for healthcare and improvements in the quality of their hut.

The interviews with the Mashiyas also highlighted some of the factors that had led to their current precarious and vulnerable situation. Although they were essentially living off Nolinda's old age grant from the state, all three adult women had, at various points, worked as domestics in urban centres. The household had for a long time been relatively marginal economically, even by the standards of their impoverished village. Nolinda's husband had absconded when her children were young, Bulelwa had 'divorced' decades ago and Thandeka had had Sibongile out of wedlock. Hence, the household had long been without male socio-political guardians, but even more crucially, without formal labour market remittances. The household's decade-long marginality was a reflection of (and perhaps even partially caused by) their comparatively recent and disadvantageous relocation to the current village under 'betterment' scheme (compulsory villagisation in the 1960s and 1970s).

*Some of the factors that had thrown the three women together, mutually dependent on Nolinda's pension, were revealed by Thandeka's story. A quiet, softly spoken 32-year old woman, she was the third generation of the four-generation, matrifocal Mashiya household. Although born in Durban in the early 1970s, Thandeka grew up in the village of Phuzayo, a two-hour drive from the nearest town or tar road. As a young child, she lived in her uncle's house while her mother, Bulelwa, attended school. Thandeka's father had absconded, and she had grown up believing that her mother was her sister. Learning the truth, she told the team, had been a shock. Suffering from recurrent headaches, Thandeka struggled with school, and dropped out when she became pregnant in 1993. Grandmother Nolinda dispatched the pregnant girl to Bulelwa, who was in Durban at the time, working as a domestic. Bulelwa secured a job for Thandeka with a Muslim family in Durban but after a few months, Thandeka left because of the advanced state of her pregnancy and because she did not get on with her employers. Unable to stay in her mother's 'servant's quarters' with a newborn baby, Thandeka spent several very unhappy months with a distant **sangoma** aunt in the former Transkei before eventually returning – shamefaced with her child – to the village.*

Thandeka attempted to return to school, but this was impossible. She was again trying to cope with illness, and both her daughter Sibongile and grandmother Nolinda needed care. The situation changed in 1998 when Sibongile approached school-age, and her grandmother Nolinda grew frailer. It was then decided that the two generations would do a 'job swap': Bulelwa returned to the village, while Thandeka took her mother's place as a full-time domestic with the Durban employers. Thus two generations of the Mashiya women reorganised their jobs to comply both with the wish of middle-aged Bulelwa to return to the village and the care obligations of the family.

The Mashiya family (cont'd)

This arrangement lasted for more than two years, Thandeka worked happily for her mother's former employers and even managed to complete one more year of school. But this successful employment period ended when divorce dissolved the employer's household. Thandeka was placed with Malawian friends of the former employer but this arrangement soon turned sour.

Thandeka was in a crisis. She had managed to find new employment, but the job did not only start for two weeks and she had nowhere to stay in the interim. Although she had made alternative accommodation arrangements with a friend in a working class suburb, this unexpectedly fell through. Thandeka knew no-one else in Durban other than her former employer (who had no space for her), and the Malawian employer, with whom matters had ended in an altercation. Her clothes were still with her former employer (reportedly, some remained there to this day) but Thandeka decided that she had no option but to return to her village. She spent the night at the train station, unhappy and hungry as darkness fell. She did not have enough money to return to the village and at one point reportedly considered 'selling her body' (i.e., selling sex), but decided against it. After sleeping rough at the station, Thandeka offered her only real asset, her cell phone, to a man for R80, in order to get the travel fare. He generously gave her R120 for it. She went to the park, washed her face and combed her hair before catching a taxi back to the Eastern Cape. When she told her family about the past events, they agreed that she should not return to Durban.

Since then, Thandeka has not had much luck finding employment. Her problems of stress, nerves, and headaches had returned. A distant relative arranged a 'sleep-in' domestic position with a middle-class black family in Gauteng, where Thandeka looked after the house and a child for six months. Although she was happy there, the return of her incapacitating headaches put an end to the employment.

In 2005 Thandeka turned down an offer of employment as a housekeeper for a (single) Mthata based policeman (she based this on the fear of sexual harassment and endless suspicion from the bachelor's girlfriend). Although Thandeka had hopes of leaving the village, she explained that she felt constrained by her delicate health. She tries to take one day at a time and was stressed by having no job. When asked what she had done about her headaches, she replied that she had gone to the clinic when it was really bothering her, but this was generally ineffective.

In considering the story of the Mashiya household, it is important to understand how their vulnerability and poverty relates not only to their individual and collective life stories, but also to the broader structural aspects of their location within South African society. The possibilities for survival and accumulation in the environment where they live are deeply constrained by the history of Transkei's adverse incorporation into South Africa's market economy – decades of neglect and underinvestment, incorporation of the traditional authorities of governance into the lower tiers of the apartheid bureaucracy, the deeply rooted dependency on migrant labour, the impoverishing effects of betterment planning, and the neglect and decline of smallholder agriculture. In this context, a small elite is

able to accumulate wealth, using positional advantage to monopolise whatever local resources are available – be it position in local government, government jobs as teachers, police, nurses, and local businesses. Elite and poor households alike survive through hybrid livelihood strategies, linking together incomes from a variety of different sources: smallholder agriculture, informal self-employment, grants and remittances, and different kinds of service provision and reciprocal exchange. The better-off households – or at least those that have avoided deep poverty – typically have strong links into the formal economy. They are usually well connected with both the local and spatially extended social networks that give them access to different streams of income and access to resources. Furthermore, these households are often fairly large, making it possible for them to draw on significant pools of labour and a wide range of value-creating activities. Individuals, who do not have the advantage of being members of such households or households without members who have secured some source of formal income, become marginalised. Local dialogue and the ideology of reciprocal exchange generate a measure of social protection, but those without resources of their own, those who are cultural outsiders, lack status or rank, or are disadvantaged by patriarchal discourses and gender roles, are often severely disadvantaged within these networks and are unable to act to their advantage (du Toit and Neves, 2008). They are unable to make effective claims on relatives or kin for scarce resources, or then end up at the losing end of exploitative arrangement.

Understanding these broader dynamics clarifies the precarious position of the Mashiya household. Without access to productive land, and lacking the labour power and resources to farm effectively, they had become very reliant on wage employment in urban areas. Being 'unskilled' and female, the only opportunity for urban employment was the poorly paid and insecure domestic labour. Thandeka's story bears particularly acute testimony to the vulnerability of an unskilled rural woman trying to survive in the urban metropolis. When the fragile social arrangements of her urban employment broke down, she found herself in desperate circumstances, in which her only option was to retreat to the frail 'safety net' of her grandmother's household. Having lost or foregone any long-term relationships with male partners, the Mashiya women had no strong links to the urban areas and only limited access to remittances. Located in a remote isolated rural village, there were few opportunities for non-agricultural or informal employment. As women heading a household in a deeply conservative area, the Mashiyas lacked the local voice and authority that would normally fall to a male household head. As a small household, they were labour-poor, so responsibility for both generating income and for the significant burden imposed by household maintenance as well as the care of elderly grandmother and child fell on the shoulders of Bulelwa and Thandeka. The case study also suggests that their marginality had lasted for decades. This was evident from the fact that they had been one of the last households to have moved to the village in terms of 'betterment' planning. The dispossession inherent in the betterment scheme was frequently more acute for families unable to pay taxes (a precondition for relocation to a

new site) or those less able to absorb the economic shock of rebuilding homesteads (McAllister, 1986, 1989)

The case study shows how the Mashiya women in these difficult circumstances worked carefully with both their material and non-material resources to create a precarious foothold for themselves. Clearly, the centrepiece of their entire survival strategy was Nolinda's state pension. Although a small sum of money, its regularity enabled them to stretch it out to make bare survival possible for all four women. The pension, aside from its essential contribution to food security, also allowed the family to secure credit with the local hardware store for the maintenance of their house. Without this income, in all probability they would not have been able to stay together as a household at all; either Bulelwa or Thandeka would have been driven to search for urban employment, leaving Nolinda and Sibongile to rely on remittances and the care of the single remaining woman. Their decision to pay for private medical care for Nolinda was significant in this context. While their concern for the elderly Nolinda was no doubt motivated by a sense of filial duty, her continuing health ensured the household of the regularity of the pension that constituted the bulk of its income.

But the survival of the Mashiya household depended on more than the pension and their scarce monetary remittances. A key contributor was the very careful way in which they worked together to marshal scarce funds. The 'job swap', when Bulelwa and Thandeka exchanged positions is a case in point, as it enabled them to continue meeting Nolinda's and Sibongile's care demands and yet, to hold on to an urban job. The careful and ingenious ways in which they 'leveraged' the pension income through the sale of sweets for paraffin money is another example of the way the women cooperated to maximise their minimal finances. Similar resourcefulness can also be seen in their decision to replace the hut's leaking thatch roof with corrugated iron. It was an important improvement in the quality of their lives (particularly in view of the household having two physically vulnerable members, and being located in an area known for winter snowfalls), but the corrugated roof will free them from the ongoing process of renewing the thatch, an important consideration in a household with few hands to spare.

This careful management of resources extended to the behaviour of the Mashiya women within their wider social environment. Their carefully cultivated respectability, evident in Nolinda's role as a custodian of local ritual advice and tradition, and in Bulelwa and Thandeka's participation in important rituals and ceremonies, was an important resource. These roles were evidence of their *isidima*, their good standing as solid members of their community; this good standing was essential to their survival. It was the means of access for participating in the collective economic life of their community, for example Bulelwa's chairmanship of the agricultural committee, and through it, access to rural employment opportunities. It was a key part of their ability to interact within the world of social reciprocity and mutual assistance. Even their petty trading of sweets for paraffin money is difficult to understand outside the context of their status in the community. The

interaction that takes place in the context of village life with its deep overlaying histories, friendships, animosities and gossip is never totally isolated asocial economic activities. Reciprocal exchange is one of the elements of these social networks, and in many cases, a place in these networks and membership in a community is a prerequisite for entering into an exchange relationship in the first place. But it is important to recognise that membership and status in these networks can be fragile. While the Mashiyas had been able to gain respectability, it is very easy for a female-headed household such as theirs to become marginalised and forgotten, or worse, to become the target for gossip and devastating accusations of witchcraft.

The impact of the pension on the ability of the Mashiya household to survive extended beyond its mere monetary value. The case study illustrates that the importance of social grants is in their regularity and predictability (Ardington and Lund 1995; Cross and Luckin 1993). In addition, the story illustrates the importance of the Mashiyas' ability to 'trade on their grant', and to use it and other resources carefully in the relational economy of inter- and intra-household links. Their ability to cooperate with each other, to invest in their status as respectable community members, and to engage in reciprocal interaction with one another and those in their wider social network allowed the Mashiya household to augment the monetary value of their grant in a number of ways, making it possible for four people to manage their extreme vulnerability at the margins of South African society.

4 Crowding out remittances – or re-allocating them?

The previous case study has shown how one small household 'traded' with its access to social grant and other resources in order to carefully combine and allocate these assets to secure a precarious existence in vulnerability and poverty circumstances. It is important to understand that this type of decisionmaking is evident not only within a given 'household' context but also between households. As anthropological and sociological research has made clear and the authors' earlier paper (du Toit and Neves, 2009) points out, households should not be perceived as bounded 'units of analysis'. Instead, they are fluid, porous, extended, open-ended systems. This puts the concerns of some scholars in perspective that social grants could 'crowd out remittances', which would presumably lead to a reduction in the effectiveness of social spending. Decreased remittances accruing to a household because of access to pension funds is a 'zero sum game', only if the households are considered in isolation. A different perspective emerges if the decisions made by individuals in households are located within the context of spatially extended reciprocation networks. A key aspect of understanding decisions related to social grant expenditure, and understanding the indirect consequences of social grant receipt complies being aware of how people make decisions over time on the distribution of costs, resources, shocks and opportunities within these larger networks. The second case study from Phuzayo village illustrates some of these dynamics.

Supplementing the pension: Mamzoli Fikile, Phuzayo, Eastern Cape

The 2002 survey revealed Mamzoli Fikile's household as being very poor, in the poorest income quintile of the rural sample, barely scraping by. Mamzoli reported she had no 'paid work', and the month-by-month recall question indicated no other income except her pension and a wage income of R200. Yet while Mamzoli was monetarily poor, there were indications that she was able to invest in some household durables and assets: the household was listed as having a refrigerator and had some livestock (seven goats, 19 chickens, two geese and one pig).

The 2005 team to Mamzoli in her large compound met an obese and moderately immobile elderly woman with a complex livelihood strategy. The team was received at a comfortable and well furnished reception room. The refrigerator listed in the 2002 survey (a large LPG gas-powered chest freezer) gurgled away in the corner. These material endowments hinted that Mamzoli might not be amongst the poorest of the poor.

A series of interviews revealed that Mamzoli relied greatly on her adult children who worked in various urban areas, but in particular on her son, Simpiwe, whom she described as 'a very important son'. A bakery manager in a nearby town, Simpiwe remitted about R400 per month to his mother. When Mamzoli was struggling to support her many grandchildren, Simpiwe bought her the chest freezer so that she could go into the meat-selling business. She reported that she made a monthly profit of about R500 from the business, which was mainly used to support the grandchildren's schooling. The team also noted beer crates and empty bottles stacked in the yard: evidence of the small tavern that Mamzoli operated. While she obtained the meat from Matatiele, the average seven cases of beer that constituted her weekly sales were from a local bottle store. Her two grandsons, aged 11 and 14, were an integral part of the business, as they not only fetched the beer for their grandmother whose mobility was limited, but also helped to sell it. Mamzoli estimated that she made about R600 from the beer per month. In addition, she stored food for other villagers in her freezer, a considerable favour in a village without electricity

The in-depth interviews thus revealed a household with a web of family relations, and one that had more than doubled its pension income through informal economic activity. Mamzoli further noted that the pension supported her business by allowing her to buy stock and facilitating in extending the all important credit to her customers.

Meeting the 'very important' son, Simpiwe, was revealing. A large and confident man, Simpiwe worked as a bakery manager for a large supermarket in KwaZulu-Natal. Throughout the interview he remained busy, taking phone calls, barking terse instructions to staff and wordlessly signing notes presented to him – he exuded the energy and the determination of a man who had fought his way up from extreme poverty, and was bringing his family up with him. Coming from an impoverished background, he and his siblings had lived with their grandparents in the Transkei while their mother was a domestic worker in distant Durban. Simpiwe started as a cleaner in the early 1990s in a supermarket and worked slowly his way up the ranks in the bakery. He had said his aging mother, a domestic worker at that time in Durban, to 'go home' – i.e., to return to the village – and supported her by remitting money. He also bought her the fridge so that she could start her business.

Mamzoli Fikile (cont')

In 1993, when Mamzoli secured the state old age grant, pressure on both eased. Because of the pension, she did not need to earn as much money, and managed with selling less. And in turn as Simpiwe was able to reduce the assistance, he could limit his job at Spar to evening shifts, enabling his return to school. Simpiwe graduated in 1993, continued his training as a baker, and gradually rose in the employment hierarchy at Spar. During this time he supported his brother, Thabo, who had been made redundant from his job in the coal mines in Gauteng as well as Thabo's pregnant girlfriend (later wife) who had been disowned by her parents. Simpiwe subsequently 'pushed' (his words) Thabo's wife to complete her schooling after the baby (she subsequently became an adult basic education and training instructor). He also supported his younger sister, Thozama, through agricultural school in Pietermaritzburg (she worked as a chef making in-flight meals for an airline). Another person he 'pushed' though education was his wife, whom he married in 1999. She completed her ambulance attendant training and her drivers' license, but she subsequently joined one of the state's pension pay-out contractors. Simpiwe subsequently left Spar and worked in Bizana before securing the middle management position he held at the time.

Simpiwe had aspirations to ascend higher within the store; in the interim he had bought a house near Matatiele. During the week he rented a house in KwaZulu-Natal. Because his older brother had neither the time nor the mobility to take care of family business (he was often away working), the responsibility of sorting out family problems fell on Simpiwe, and on weekends he either visited his mother or he went to stay in Durban where he also had family. He himself did not want to move too far from Phuzayo, because he worried about his elderly mother. Speaking of her with obvious fondness, he explained: 'If something can happen, I will run there in the night'.

This story vividly captures not only Simpiwe's economic mobility but also his support to his mother's household. It is useful to examine Simpiwe's social mobility against the backdrop of the South Africa political economy in general. Despite the fact that Simpiwe had been born into poverty, he had successfully achieved middle-class prosperity. Simpiwe's material success is a reflection of his successful adaptation to urban migration and formal employment, the few trajectories of accumulation available to those in rural Eastern Cape. In contrast to many males in his age cohort, whose prospects for independent household formation have been undercut by the collapse of formal labour migration, Simpiwe succeeded in gaining formal urban-based employment, mainly because he had the educational qualifications needed to ascend within the formal labour market and the broader post-apartheid deracialisation of the middle class. This is much the same strategy he applied to assisting his close kin, as investment in their educational qualifications has facilitated entry into the formal labour market. The resources from formal labour-market employment have enabled Simpiwe to support his retired elderly mother's household. Simpiwe's tale repeats some elements from the previous case study, notably the support for kin, but Simpiwe interacts across several households, unlike the Mashiyas. The livelihood system, which his efforts have helped to build, is

based on his formal employment (and that of his immediate kin's) as well as the safety net of rural residence and provisioning. It is useful to carefully consider within this system the flow of resources and entitlements between Simpiwe and his mother.

Simpiwe's employment enabled Mamzoli to retire from her position as a city-based domestic. The purchase of a gas-powered refrigerator enabled his mother to supplement his monthly remittances with an informal retailing endeavour within the village. Her ownership of comparatively rare fridge in an isolated village without electricity was not simply a lifestyle accessory; it was a significant income-generating asset.

From the case study it becomes clear that Mamzoli's (circa 1993) receipt of the state's old age grant changed the flow of resources within her immediate household and in relation to urban based-Simpiwe. Mamzoli was under less pressure to generate income, and her son was able to scale back on his monthly support to her. Released from this fiscal obligation, he worked fewer hours, making it possible for him to complete his matriculation schooling. As was so clearly understood by Simpiwe, the matric certificate¹ is a prerequisite for mobility within the formal labour market. A more limited econometric enquiry or one with a more truncated timeframe might have suggested that Mamzoli's receipt of a state pension 'crowded out' her son's remittance. Yet, this detailed case study presents a far more nuanced picture, showing how a decline in Simpiwe's remittances to his mother facilitated his own education, enhanced his employment prospects, and thus enabled greater investments in the education and employment opportunities of his kin at a later time.

The case study also clearly reveals the importance of Simpiwe as the lynchpin within wider pattern of familial provisioning. Simpiwe's support to his mother was part of the system of material support and moral encouragement to his various extended family members. Not only did Simpiwe assist his temporarily unemployed brother, he also actively encouraged the educational attainments of his sister, sister-in-law and wife. This enabled them to secure the coveted, relatively stable formal-sector jobs. Their educational achievements and the resulting opportunities have offered various family members secure employment also in fields other than their specific vocational training.

As for Mamzoli, income generated by the refrigerator helped her to supplement both the remittances from her son and her state old age grant. Here, social protection from both the formal system (the state old age grant) and informal system (her son's remittances) are intertwined, making her informal economic efforts easier. The regularity of the state pension provided the operating capital, and enabled her to offer credit to her frequently poor patrons. This is an important consideration in a resource-poor environment. But the refrigerator potentially generated other kinds of value. By her own account, Mamzoli

¹ Also known as the Senior Certificate and is equivalent to 12 years of schooling.

allowed fellow villagers to store perishables in her fridge/freezer (she readily cited the example of a recent school function where she had kept the refreshments cold). This concession was of considerable benefit in a village without electricity, as keeping the refrigerator operational meant the expense and effort of procuring heavy bottles of gas. Mamzoli's benevolence, therefore, helped to support her position within local, intimate patronage networks, and represented an ongoing, renewable source of 'social capital'. Despite the impact of the fridge in promoting Mamzoli's status in local obligation and reciprocity networks, it is useful to bear in mind that operating a business venture dependent on the fridge (particularly the alcohol retailing endeavour) was reliant on the input of others. Mamzoli's obesity and limited mobility meant that the running of the tavern was crucially contingent on the young grandsons who purchased and transported the beer to restock the refrigerator. (Note, too, the informality of the village: minors purchasing alcohol for resale.) Thus, even the teen-aged grandsons were a part of the social reciprocity web on which the economic activity of the household was based.

Finally, an important point to note here is that the process of household decisionmaking needs to be examined not only within a wider spatial context but also within its temporal trajectory. Exchange and reciprocation evolve between people linked together in a complex and spatially extended social network, but this process also needs to be understood within the context of long, complex personal histories. In the case studies decisionmaking also evolved within a temporal context; therefore, a firm longitudinal view is needed to understand social reciprocity adequately in these cases. This highlights the importance of understanding not only the nature of the trade-offs and transactions that take place within and between households but also how these fit into a larger and longer timeframe. Limiting the analysis to one point in time could introduce the risk of a greatly diminished understanding, and a limited temporal frame, for example, could have generated misinterpretations with respect to Simpiwe's decreasing remittances.

5 The short end of the stick: Adverse impacts of grant allocation

The case studies have highlighted various aspects of the allocation of resources between households within social networks, including how they shift over time and are shaped both by past events and future expectations. However despite the contemporary valorisation of social reciprocity and exchange (often under the rubric of 'social capital'), acts of social reciprocity or of 'trading' within social networks do not necessarily benefit all participants equally. The following two vignettes demonstrate how the circulation of resources within social networks can be marked by ambiguities, contestation and inequality. In the first vignette, the key informants are relatively estranged from the social reciprocity network, while in the second, specific household members participate in the network on highly adverse terms.

Relocating the child but keeping the grant

Lulama and Luleka were two sisters who jointly occupied a small corrugated iron shack in Khayelitsha on the outskirts of Cape Town, eking out a difficult existence. Lulama did informal 'piecework' most days of the week, hand-folding jewellery boxes for leading jewellery chain at a few cents each (earning about R70 per day for making about 1,000 boxes). Their brother, Vusi, lived on the same property, in a lean-to shack that he shared with his girlfriend, Delia. Both sisters had children: Luleka's child was nine years old and Lulama had had two children, in fact, one by a man who currently lived in the Eastern Cape, and the second child (aged six) by her boyfriend of the moment, who lived in his own shack not far away. The first child had drowned the previous year, an event that she recounted dry-eyed, in a matter-of-fact manner. The fact that she had been unable to bury her own child was an indication of her and her family's poverty, and of how little money there was. The funeral was arranged by the father's family, and Lulama was the only one of her own family to attend.

The sisters' most substantial difficulties were related to the care of their children. They simply did not have enough money to pay for childcare. Lulama's erratic piecework kept her away from home for most of the day, but paid only between R70 and R100 a day, an amount she, her sister and their two surviving children had to live on. Were Luleka to find a job, it was unclear who would have looked after the children, particularly as the sisters had no local relatives.

An important source of help was their mother, who lived on her own in an RDP house in Port Elizabeth, surviving on the state's old age grant and earnings from part-time domestic work. During the course of the research project, she visited her daughters in Cape Town, and as a result, it was agreed that Lulama's surviving child would live with her in the Eastern Cape. Lulama and Luleka told the researchers that they discussed the matter of the child grant. Their mother had told them that she did not need the grant, as she had the pension and some wages from her work, suggesting that the sisters keep drawing the grant in Cape Town, to be used for school fees, clothes and food for Luleka's child. Delia, Vusi's girlfriend, had a more cynical explanation, stating that the sisters were not spending the child grant just on food for Luleka's child: Luleka liked pretty clothes, and a large proportion of the grant, she insinuated, also went to pay for Luleka's monthly clothing store account.*

* houses built as part of the post-apartheid governments' Reconstruction and Development housing programme

Schooling daughters at the expense of a malnourished grandchild

Nomkazi Chebaza's rural household was the most impoverished among those visited by the research team. Occupying a mud brick structure, the immediate household was made up of a late middle-aged couple, their ten-year old child and three grandchildren. The interview was conducted with the 53-year old Nomkazi; her husband was blunt, confused and judged to either be intoxicated or neurologically impaired (he had sustained head injuries in an assault several months earlier). His past work history included migrant industrial labour but he had been out of the formal market for more than a decade. The couple's children were older and resided away from the homestead. The eldest, a 32-year old daughter, lived in close proximity at another homestead within the same village, which she shared with her ailing unemployed

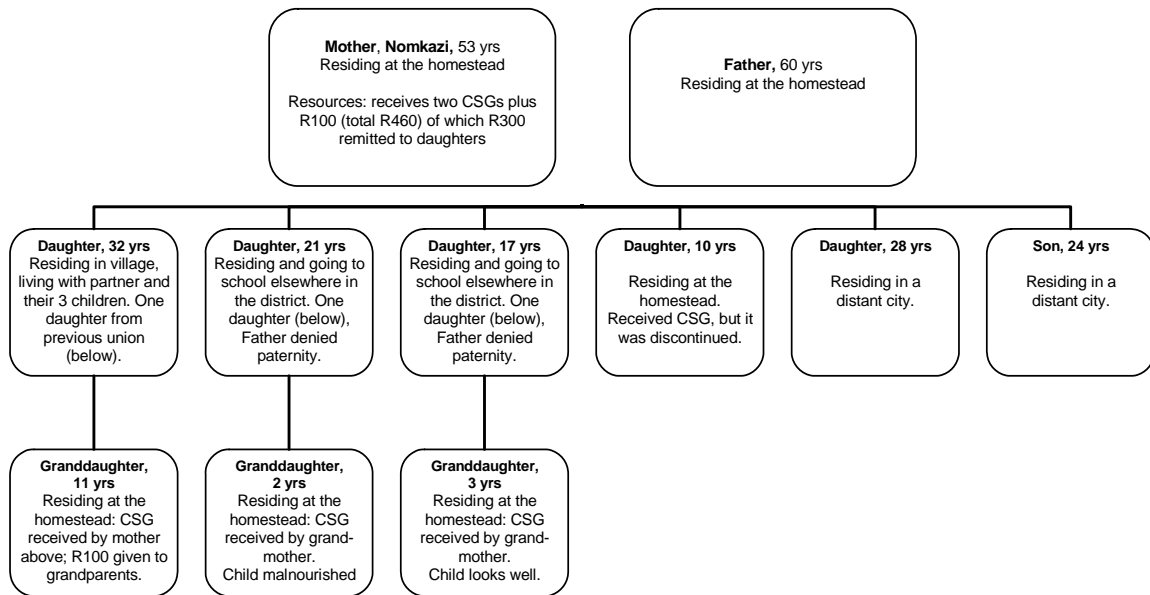
Nomkazi Chebaza (cont'd)

partner and their three children. The two older children, a 24-year old son and 28-year old daughter, both had their matric qualifications and were informally employed in a distant urban centre. As both siblings were impoverished, they made no remittances to the household, aside from the annual Christmas visit and groceries. The remaining two children, daughters, aged 21 and 17 years old, resided elsewhere in the district where they attended school. Three granddaughters, aged 11, three and two years-old lived at the Chebaza homestead. Kinship relations (including the mother of the resident grandchildren), monthly funds from the receipt and transfer of various social grants are indicated in Figure 1.

In this case study, of particular interest are the three granddaughters (bottom row). Nomkazi's 32-year old daughter, the locally living mother of the eldest grandchild, received R180 as child support grant, of which she passed R100 to Nomkazi, the household where the child was actually residing. The balance was retained by the daughter to support her equally impoverished five-member household. Nomkazi's two younger daughters were the mothers of the two toddler grandchildren, and in both instances, the father had denied paternity. The contrast between the two toddlers was marked. While the three-year old was clean and relatively well dressed, the two-year old looked dirty and neglected and also had the tell-tale distended belly and red-hued hair of a child suffering from Kwashiorkor (malnutrition). The research team privately puzzled over this difference, and the locally resident fieldwork later speculated that perhaps members of the disavowing paternal family were surreptitiously caring for the toddler.

The obvious malnourishment of the youngest granddaughter was a reflection of the poverty and vulnerability of the household in general, but was somewhat understandable when considered in terms of the flow of child support grant within the household. Nomkazi, the toddlers' grandmother received both CSGs (along with that for her own ten-year old daughter), a sum of R540 plus R100 from her eldest daughter, for a total of R640. From this sum she forwarded R300 to her daughters (the two non-resident mothers of the toddlers) who were attending school elsewhere in the district. The daughters reportedly spent R100 on rent and R200 on food. The research team tried discreetly to question Nomkazi's decision of supporting the two daughters and their schooling, seemingly at the direct expense of her granddaughter's health. In response, Nomkazi explained that the local school was of poor standard, with a low rate of matric graduation, unlike the more distant school where the two daughters were currently enrolled in grade 11. Despite the fact that their matric education had not translated into lucrative jobs in the formal economy for their older children, the couple remained optimistic that one of their youngest daughters would secure a coveted place in the formal labour market. Without the matric certificate, she explained, 'you can't do anything'. Her husband nodded wordlessly.

Figure 1. Kin relationships and access to grants in Nomkazi's household



An element of reciprocity between Luleka, Lulama and their mother is evident in the first vignette. The sisters' small household suffered from a relative lack of surplus labour to fulfil its care obligations, and this proved to be a major constraint on Luleka's capacity to seek employment. This lack of care work capacity reflected the sisters' relative isolation within urban Cape Town. Hochschild (2000) notes those at the bottom of the extended 'care chains' are frequently marginalised, however it was a measure of the sisters' extreme marginalisation that they were (initially) outside of any care chain. Being both impoverished and without proximate kin, the sisters were unable to externalise this aspect of social reproduction. Luleka and Lulama's subsequent arrangement with their mother allowed them to pool the two grants to look after one child. It is important to note that this arrangement was in turn facilitated by their mother's pension: without the pension, it would have been likely that she would have needed to work for more than a few days a week. The allocation of resources that accompanied the relocation of the child was significant, and the mother instructed her daughters to retain the grant. This arrangement reduces the child care burden on the two sisters (the grandmother was caring for the younger grandchild) and also increased Luleka's freedom to seek employment.

Although the pooling or transfer of social grants to beneficiaries other than the intended recipients is common, this is particularly pronounced in the second vignette. Even the relatively small child support grant (R180 in 2005) was reallocated within Nkomazi's household. Less than half of the eldest granddaughter's grant (R80 out of R180) was

retained by biological mother, and the balance forwarded to Nomkazi with whom the child was actually living. But it is the transfer of the younger granddaughter's grant that is of particular interest. Most of the R360 received by the grandmother was forwarded to her daughters, the mothers of the two toddlers. It seemed probable that this transfer to Nomkazi's daughters was undermining the nutritional security of at least one of the grandchildren. Although the research team puzzled over the contrast between the two toddlers, it is not uncommon for malnourishment to be the severest among the youngest household member. Significantly, it was not the toddler's mother who was withholding the allowance from the caregiver of the child, but more the case of the grant-receiving grandmother passing it onto her own daughters. The case study suggests this transfer was based on a conscious decision in which the household preferred to invest in the daughters' education, even at the cost of the grandchild's nutritional status. This is not what Geoff Wood (2003) terms the 'Faustian bargain' of the poor exchanging long-term security for short-term survival: it is, instead, a Hobsons' choice of gambling for long-term security at the expense of the long-term health and development of the toddler. The trade-off was between educational attainment as the way out of poverty, and the nutritional security of the household's youngest member. As Scheper-Hughes (1992) shows in her study of child mortality in Brazil, seemingly universalistic and normative notions of maternal affection and provisioning can deteriorate in the context of extreme scarcity, deprivation and violence. It is therefore perhaps less helpful to speculate on the appropriateness of the household's decision, or to ascribe malign motives to its members than to reflect on the livelihood dilemma that underpins the choice. The conscious deprivation of the toddler reflects more generally the economic marginality, limited prospects and insecurity of the household.

6 Conclusions: Trading on a grant

Cash transfers – unlike many other poverty relief schemes such as public works and other forms of development aid – have the advantage that they are a relatively efficient way of directly affecting the monetary incomes of targeted people. The efficiency of social grants is, thus, not compromised by the limited capacity of the state or delivery institutions. Instead, a key factor affecting the social efficiency of grants is simply the way in which its recipients use (or 'misuse') them. Indeed, in policy debates, many arguments against the widespread use of cash transfers focus on moral hazard and the waste that are presumed to stem from their unwise, wasteful, misdirected or irrational uses by the recipients. Therefore, in order to appreciate the impact and effectivity of cash transfers as policy intervention, it is essential to have an understanding of how poor people use grants, and how grant-expenditure decisions are made.

This is a notoriously tricky area. Because of the fungibility of money, determining what grants are actually spent on is often quite difficult, and as mentioned earlier, opinions differ. Some surveys, by focusing on the positive impacts of nutrition experienced in

some grant-receiving households, conclude that grant money is indeed used in ways that ameliorate some of the most important effects of poverty. Others argue that decisions by grant recipients can systematically reduce the social effectivity of a cash transfer programme.

Here and in a linked paper (du Toit and Neves, 2008), we argue that qualitative research can illuminate the decisionmaking processes surrounding grant expenditure. As we have argued, these decisionmaking processes cannot be understood in isolation, but need to be situated in specific local social and historical context. In the case of the poor in South African migrant networks, we argue that a key role in this context is the complex and spatially extended kin relations, and the deeply embedded and culturally determined practices of reciprocal exchange and mutuality.

We have traced how grants are used in this context, and would argue that together these systems generate a 'pattern' of informal social protection that extends well beyond the limitations of the formal welfare system – a pattern offers the protection to vulnerable people who might otherwise be unprotected, but a pattern that also places new and invidious burdens on others. Grant-expenditure decisions cannot be understood separately from the complex monetary and non-monetary debts, obligations, exchanges, claims, histories and links that these networks and practices imply. Consequently, policy design for poverty reduction and welfare should be shaped by an understanding of the nature of these systems of informal social protection.

The case studies in this paper have highlighted some key aspects of these systems. In general, they have shown how grants work to support the practice of informal social protection, but at the same time they have also revealed some key tensions, limits, costs and contradictions.

First, we have highlighted the unique role played by cash transfers in supporting informal exchange networks. In general, social grants are typically transferred and circulated within these larger circuits. They are seldom consumed exclusively by the formally designated beneficiary; nor are they readily separable from the more general flow of resources between and within households. Accordingly, we argue that understanding the utility of social grants cannot be done with simple reference to the staples purchased for the direct use of the formal beneficiaries. The value of social grants lies not only in their contribution to subsistence consumption, but also in how they serve to enhance social reciprocity networks.

Second, it can be argued that the receipt of social grants can help reduce what we call the 'dark side' of social capital – the unequal and gendered manner in which social networks and informal reciprocal exchange often work. Social grants play a key role in reducing vulnerability by providing resources to those who would otherwise be disempowered within these informal protection practices. In an environment where social

capital depends on *reciprocal* exchange, and where the lack of resources, therefore, profoundly undermines one's agency as a social actor, the receipt of a grant (*and its prudent use*) gives the individual the means needed to secure for himself a role for exchange and negotiation within his social network. As Sagner points out (2000; see also Barrientos and Lloyd-Sherlock, 2002), pensions can play an important role in helping those who would otherwise be marginalised to accumulate social capital on their own behalf.

Third, our case studies have shown how social grants can generate investment and improvement in wellbeing, not only directly within the receiving household, but also within connected households. We have already noted the concerns raised by some scholars that social grant expenditure may possibly lead to a reduction in private remittances. Jensen argues that this, indeed, is happening in South Africa, and that each rand of public pension provision leads to a 25 or 30-cent reduction in private remittances (Jensen, 2003). Cox and Jimenez (1990), examining social grants beyond South Africa, argue that if private sources donate less when public transfers are increased, the effect of public programmes would be less than originally intended. But as Francie Lund (2002) notes, this is the case only if one considers households in isolation. If a household is perceived to be a strongly bounded, independent, autonomous economic unit, a reduction of remittances in response to the receipt of a social grant would indeed be a problem for social policy. But the households we have reviewed here were not so bounded, and the reallocations not a zero sum game. Rather, they formed a part of a larger process whereby resources were reallocated in spatially extended networks created by practices of social reciprocity, migrancy and kin relationships. It is a process that plays a key role in creating a network of 'distal social welfare' extending well beyond those actually targeted for the grant. As private remittances are used in the absence of a comprehensive social welfare system to reduce vulnerability, 'crowding out' should not be considered, as is done by Cox and Jimenez, as a drawback to the achievement of social objectives, but as a way for the poor to maximise the benefits of their social welfare assistance. The empowering effects of social grants, and the ways in which decisionmaking takes place within spatially extended networks of reciprocal exchange, enable the recipients to leverage and stretch out their resources. Social grants become a part of the system of intra- and inter-household exchange, and indirect benefits from cash transfers accrue even to those not formally covered by the system.

These three areas of impact highlight some important elements of social grant receipts. In general, the case studies recounted here highlight in particular the important positive role of decisionmaking by grant recipients. Government officials, policymakers and consultants often emphasise the need for 'integration' on the part of government, but our paper focuses on the importance of something different, the integration from 'below' of practices and networks that allow economic systems, often perceived as separate entities by policymakers, to be linked and incorporated together. More specifically, the material presented here demonstrates the interaction between the system of social

grants and popular practices of informal, proximal social welfare. The reciprocal exchange that underpins extended social networks, and the different kinds of 'transactions' (whether material, economic or non-economic) suggest that poor people act as 'bricoleurs': they weave together different livelihood activities, divergent streams of revenue and assets, formal and informal kinds of exchange, into more or less coherent livelihoods.

A key element here is the fact that the social grant is a cash transfer, and does not take the form of food stamps or vouchers, for example. Quite aside from the logistical and practical difficulties of converting grants into food stamps, the cash nature of the grant is central to the flexibility of the decisionmaking process by recipients. In the case of Mashiya, receipt of the old age pension ensured their basic subsistence needs, provided capital for the petty sweets retail endeavour, and allowed provision to be made for medical care as well as upgrading their accommodation, thus supporting the continuation of their household independence. In another paper (du Toit and Neves, 2008), the case study of one individual similarly demonstrated the multiple uses to which the social grant was put, serving at one point to provide seed money for a fruit and vegetable business, and later to facilitate the daughter's *izila* ceremony, thus investing in the daughter's respectability, allowing her to re-marry, and to return to work.

The number of case studies was relatively small, but still catalogued an array of benefits made possible by the social grants: goods or services purchased and activities supported, many of which extended well beyond the immediate food or energy requirements. These included expenditure on cellular communications, transporting beer for resale, purchasing sweets for resale, getting LPG gas for a fridge, schooling, accessing private medical care and obtaining building materials. In light of the fact that the livelihoods of the poor are hybrid and complex, the moral panic expressed over the appropriateness of expenditures on certain types of commodities often reflects a lack of understanding of the complexity of impoverished livelihoods. Instead of trying to integrate 'from above' by strict control of formal targeting, social policy should take advantage of the integrating and synergetic abilities of the 'bricolage' whereby the poor themselves integrate systems in pursuing coherent livelihoods. In addition, as the receipt of social grants animates reciprocity networks, it is difficult to designate certain types of expenditures as inappropriate, particularly in the absence of a comprehensive understanding of the ancillary economic activities and social connections it may enhance. Therefore, it is argued that policy and policymakers ought to be less worried about inappropriate expenditures or dependency, and more concerned with creating better opportunities for hybrid livelihoods, which could promote links between the formal and informal.

It is, of course, important to be realistic. There are numerous cases where social grants are used in less than optimal manner in attempting to promote wellbeing or security of the intended recipient. And there are many examples of profoundly unequal distribution

of the benefits. Both the incident of Nomkazi's malnourished grandchild (page 17) and the complicated usage of the child grant usage in Luleka and Lulama's household (page 16) highlight the fact that grants often may be used in ways other than to the benefit their of intended recipient.

The circulation and use of social capital should thus not be romanticised. It is often accompanied by tension, conflict and disharmony. Neither should these decisions be seen, as they so often are, in terms of the tension between 'selfishness' and 'altruism' on the part of household members. They should be analysed, instead, against the background of the power relations and forms of leverage that shape inter- and intra-household distribution of benefits within the social networks and reciprocal exchange practices described here. The use of pensions and other grants for the broader welfare of the household is not the outcome of some form of selflessness or generalised goodness on the part of the grant recipient, but is the result of strong social pressures, and are intimately bound up with the personal hopes of the recipients, their histories of obligation, entitlement, expectations and the social credit they have already accumulated and hope to accumulate in their social networks.

How recipients use their grant will be partly shaped by their personal history, their disposition and the extent to which they themselves have been bought into the familial, communitarian and domestic values of *isidima* and so on. It is also profoundly influenced by their social status and role within the horizontal philanthropy on which the survival of the poor so crucially depends. For instance, both men and women may choose to invest heavily in the wellbeing of their families but often do so in different ways. It is interesting, for instance to compare two individuals from our case studies: Simpiwe Fikile, who helped his family through economic assistance to the education and empowerment of his kin, while Mamzoli supported the family primarily through care work. Duflo (2003) and others highlight the particularly important role of older women and how they invest their pensions – we suggest that their importance is not just because only women invest in the broader wellbeing of their kin, children and families, but rather because women contribute to family wellbeing through direct and vital unpaid investments in household reproduction and care work.

An additional factor promoting the utility of social grants is the general efficacy and coherence of the receiving household. The cohesiveness of the household and the extent to which authority or decisionmaking is largely shared have an impact on the household's ability to leverage the grant to maximise its welfare. This point is suggested in du Toit and Neves (2008), and argues that relatively coherent and cooperative decisionmaking is associated with comparatively favourable welfare outcomes, as exemplified here by the case study of the Mashiya family. They were able to leverage maximum benefit from the state old age grant with the wise marshalling of their limited resources, and this enabled them to exploit opportunities (recall, for instance, the 'job swap' between Thandeka and her mother). In the absence of a relatively high degree of

cooperative decisionmaking, this would have been difficult, but this does not suggest that cooperative households are entirely free of conflicts or that collective decisions are easily accepted by individuals. For instance Thandeka, despite her fragile health and several failed attempts at urban migration, continued to feel an acute need to find city employment. Thus, we do not imply that household contestation or even conflict is absent in the attempts of impoverished households to survive: we merely suggest that the most enterprising households tend to be marked by a certain degree of coherence and cohesiveness.

Finally, the research emphasises the importance of grants in the documented life stories, but it should be stressed that the effects were, at best, ameliorative rather than fundamentally transformative, as shown, for instance, by growing gap in the social protection between the non-disabled, prime aged population and the unemployed (and arguably largely unemployable) adults. These are typically dependent on others, and for this cohort, there are few prospects of social protection providing a pathway out of poverty. In addition, while social networks do ameliorate vulnerability in some ways, they also create new forms of vulnerability. The politics of social networks is precarious for the chronically, structurally poor.

Our arguments suggest that policy should be informed by an awareness of both the advantages and disadvantages of cash transfers and social protection. Social protection is clearly the key to poverty reduction, and, as we have shown here, can at times encourage 'investment' and employment creation on a very small scale. These important and essential advantages, however, should not give the impression that these minimal forms of protection are sufficient for addressing chronic and structural poverty. Social protection can ameliorate poverty for some, but is not a solution on its own to the massive inequality and continuing poverty imposed by the skewed and relatively unredistributive nature of the South African economy. Left to itself, social protection can only offer a kind of 'sustainable poverty', mitigating its worst effects and heading off political challenges to the legitimacy of the established order. To truly combat chronic and structural poverty requires addressing the root dynamics of South Africa's present-day capitalism that continues to drive social and economic marginalisation even long after the demise of apartheid.

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