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Jo Beall, Owen Crankshaw and Susan Parnell

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THE CAUSES OF UNEMPLOYMENT IN POST APARTHEID JOHANNESBURG AND THE LIVELIHOOD STRATEGIES OF THE POOR

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Jo Beall, Owen Crankshaw and Susan Parnell[1]

Abstract

Central to the increase in urban poverty in the post-apartheid period is the rise in unemployment, and this provides our point of departure. In the first section of the paper we show how, although Johannesburg and its environs constitute the industrial and commercial heartland of South Africa, it is a city that has not reached its potential economic development. Having outlined the causes and dimensions of the sluggish economic position we move to consider how the poor survive in Johannesburg through both economic and non-economic strategies. With this in mind we then argue that addressing the current situation of growing poverty and inequality (as well as redressing the legacy of past inequities) requires broad municipal response to urban unemployment. Instead of the current tendency to view poverty simply as the product of income and consumption deprivation, a more broadly defined response to urban poverty reduction based on a livelihoods framework is proposed.

Key words: urban poverty; unemployment; urban livelihoods; municipality; urban policy; Johannesburg; post-apartheid city.

INTRODUCTION

On the eve of the new millennium Johannesburg faced three major problems. First, as the hub of South Africa's economy Johannesburg was hard hit by the nation's sluggish economic growth during the 1980s and 1990s. The negative impacts of global economic restructuring compounded existing patterns of social polarisation in the notoriously unequal city (Beavon 1997; Tomlinson 1998). Second, apartheid bequeathed an unequal and inefficient municipal system that needed fundamental transformation for the city to become politically united and for it to be managed more effectively (Swilling and Shubane 1991). Third, the rate of unemployed within Johannesburg has risen to a dramatically high level. In practice, the growth of urban unemployment in the post-apartheid period means that a greater number of people have to survive in the city without a regular formal source of income. Thus, as part of its reconstruction and redevelopment strategy, the Greater Johannesburg Metropolitan Council (GJMC) has sought to respond directly to the job crisis in the city.

Against the backdrop of increasing unemployment in Johannesburg, the objectives of this paper are threefold. The first objective is to analyse the genesis and dimensions of the unemployment problem facing the city today. The second objective is to reflect on how the poor of Johannesburg survive in the face of inadequate income. Third, given the macro-economic context and the micro level survival strategies employed by people in poverty to survive, we propose that ameliorative and developmental actions taken by the local state embrace a livelihoods perspective alongside the focus on job creation and the promotion of economic growth. Finally, the study suggests that what happens in Johannesburg has much wider relevance. Indeed, Johannesburg's problems assume national significance given the proportionate size of the population of the metropolitan area (approximately one in five South Africans live in the greater Johannesburg area) and the metropolitan area's regional economic significance. Thus, as a national Department of Finance official was overheard to say – if Johannesburg fails, we all fail. The psychological and strategic reasons for identifying Johannesburg as the litmus test of post apartheid redevelopment have meant that, alongside vociferous calls from Thabo Mbeki's ANC government to combat rural poverty (Hadland and Rantao, 1999), there is increasing recognition that the success of the post apartheid project rests simultaneously on meeting the challenges posed by the escalation of urban poverty and inequality (South Africa 2000).

EXPLAINING THE GROWTH IN URBAN POVERTY IN JOHANNESBURG

The key factors accounting for Johannesburg's economic decline over the last thirty years relate as much to internal politics and policies, as to global and national trends in the organisation of production. Before we begin to analyse the causes of greater Johannesburg's pattern of economic growth over the past decade, we shall first examine the trends in national economic growth and the extent to which they are reflected in Greater Johannesburg's economy. Essentially, economic growth trends in the Johannesburg have mirrored the national pattern. Nationally, the growth of the Gross Domestic Product has been relatively low, averaging only 1.6 per cent per annum between 1980 and 1995 (Standing *et al* 1996). In the face of a growing population, this low rate of growth in the GDP has translated into a falling per capita GDP. Between 1970 and 1980, the per capita annual GDP hovered roughly between R6,800 and R7,300. Since 1984 it fell steadily to about R6,100 in 1994 (Table 1 and Fig. 1). Correspondingly, between 1970 and 1980 the average annual percentage

growth in per capita GDP was 0.4 per cent. Since 1984, by contrast, it was only – 0.8 per cent.

How has the economy of Greater Johannesburg fared since 1970? We calculated the Gross Geographic Product of the Greater Johannesburg Metropolitan Council by adding together the GGP of the Johannesburg, Randburg and Roodepoort Magisterial Districts. By dividing this sum by the population of these Magisterial Districts we arrived at an estimate of the per capita GGP for the Greater Johannesburg Metropolitan Council. The results show that the per capita GGP for the GJMC fell during the 1970s and stagnated during the 1980s (Table 2). On this evidence, we can conclude that the economic growth of the GJMC has been low for the past twenty years and therefore follows the national pattern. However, there are some interesting differences that are worthy of comment. Whereas the national economic growth stagnated during the 1970s and fell during the 1980s, the GJMC's performance was the other way around: it fell during the 1970s and stagnated during the 1980s.

EXPLANATIONS FOR SOUTH AFRICA'S POOR ECONOMIC GROWTH

Although there are no definitive explanations for the poor performance of South Africa's economy over the last 20 years, there is general agreement that the country did not achieve its potential growth. In other words, output has been less than would have been expected, given the available resources for economic growth (Joffe *et al* 1995; Moll 1991). Explanations for South Africa's poor economic performance fall into roughly two categories: poor macro-economic management on the one hand and inappropriate domestic policies on the other (specifically industrial decentralisation and the lack of investment in education and training). The two are not unrelated.

Macro-economic Policy:

During the 1960s and 1970s South Africa pursued a strategy of import-substitution industrialisation. So, instead of developing a manufacturing industry aimed at the export market, South Africa developed a relatively inefficient manufacturing sector that was reliant on capital goods imports. This reliance on imports and the lack of exports meant that during periods of high manufacturing growth the country soon ran out of foreign exchange which, in turn, limited the growth of the manufacturing sector (Black 1991; Gelb 1991; Moll, 1991). Some have argued that this industrialisation strategy suited the political interests of the apartheid government in a number of ways.

First, eschewing the strategy of export-led industrialisation favoured the growth of service sectors instead of goods producing sectors. A consequence of this was that there was a higher demand for skilled workers than would otherwise have been the case. On the face of it, this would seem a strange policy choice for a country with a high and growing level of unemployment among unskilled black workers (even in the 1970s). However, since the apartheid government was concerned with meeting the needs of white workers and was specifically opposed to African urbanisation and proletarianisation, the expansion of the service sector and the limited growth of the manufacturing sector were consistent with certain government policies (Moll 1991).

Second, this import substitution path of industrialisation also led to a more capital intensive manufacturing industry than would otherwise have been the case. An

industrialisation strategy led by the export of non-durable consumer goods such as food and clothing would have resulted in a more labour-intensive manufacturing sector. Instead, this import substitution path of industrialisation tended to produce consumer durables such as motor vehicles and appliances which required relatively capital intensive production methods. Again, it was unskilled African workers who were excluded from employment. Because capital intensive industry required relatively high skill levels, employment demand favoured skilled white workers and semi-skilled African workers (Crankshaw 1997a; Gelb 1991).

Third, the import substitution strategy of industrialisation was shaped by the highly unequal income distribution in South Africa. The manufacturing industry tended to produce consumer durables for the white middle class (such as motor vehicles and appliances), for which there was only limited demand (Gelb 1991; Joffe *et al* 1995). Again, this suited the interests of the apartheid government and its white electorate. The alternative strategy of export-led industrialisation would have favoured the production of non-durable consumer goods and would have required a more labour-intensive manufacturing sector.

Towards the end of the 1970s, the government began to pursue an export-led growth strategy through the incremental removal of trade protection for South African manufacturers. The government also sought to allow the free operation of the domestic market by reducing government expenditure and controlling inflation. Inflation was controlled by restricting the supply of money that led to high interest rates. However, instead of encouraging production, these high interest rates crippled manufacturing and commercial companies by increasing the costs of their loans. At the same time, the government also relaxed controls on the movement of foreign capital. In the light of the recession induced by high interest rates, foreign investors took their money out of the country in search of more profitable opportunities. So, instead of encouraging export-led production and foreign investment, these policies had the unintended effect of choking local manufacturing output and the dis-investment of foreign capital.

The consequent devaluation of the Rand in the post 1985 period had the effect of negating the low tariff barriers, since imported goods became too expensive for local consumers and producers alike. Anti-apartheid trade sanctions probably worsened this situation. This export-led strategy of the 1980s and 1990s therefore failed to bring about any recovery in the manufacturing industry (Cassim 1988; Edwards 1998; Piazolo & Würth 1995: 179-181; Roberts 1997).

Domestic Policies

As far as domestic policies are concerned, there are at least two important policies that have had an impact on the economic growth of the GJMC. The first of these is the industrial decentralisation policy which was introduced in the late 1960s in order to limit African urbanisation by both forcing and encouraging investors to locate their factories on the borders of the mainly rural bantustans. The Physical Planning and Utilisation of Resources Act of 1967 required employers whose workforce exceeded a certain ratio of African to white workers to relocate their factories in de-centralised growth points near the reserves (Posel 1991). This was an economic policy which had negative consequences for economic growth in Johannesburg and which had little

impact on other cities. Durban was not affected since the Act was never applied there. Cape Town was not affected as much because its employers relied largely on coloured workers whose employment and urbanisation was not subject to these restrictions. Pretoria was not affected as much as Johannesburg since its African workforce was largely a commuter workforce already living in a bantustan (who were forcibly removed there in the 1960s and 1970s). Nevertheless, research conducted in 1983 showed that 42 per cent of Gauteng manufacturing companies were affected by this Act. However, instead of relocating, most companies simply cut back on African employment by mechanising production. Only 18 per cent actually relocated (Black 1985).

Employers were also offered incentives to relocate their industries away from Gauteng to rural bantustan districts. Such incentives were on offer from the 1960s and were increased in the early 1980s (Bell 1986). The evidence shows that Gauteng did lose employment to rural districts during the 1960s, 1970s and 1980s. However, there is some debate, as to whether this was due to government incentives and restrictions or to the free operation of market forces, specifically, the attraction of employers to cheap labour in the rural periphery (Bell 1986; Mabin & Hunter 1993).

The second domestic policy that has had important consequences for economic growth in the GJMC has been the policy of education and training. Instead of using education as an instrument to facilitate economic growth, the apartheid government used it as a way of securing white supremacy in the workplace and of limiting African urbanisation. It did this by restricting the number of secondary schools for Africans in the major metropolitan areas relative to the population demands (Crankshaw 1997a). Although educational reforms from the early 1970s increased the levels of secondary education among urban Africans, the shortage of skills was, and still is, a serious obstacle to productivity and economic growth (Ismail 1995). Similarly, training by employers has also been sorely neglected with similar results (Bennett 1992). The GJMC is probably more seriously affected by this problem than other metropolitan centres because of the relatively large proportion of Africans in its workforce. So, contrasting conceptualisations of urban bias in national economic development policies in South Africa in the 1960s, 1970s and 1980s did little to promote the economic growth of the premier urban centre of the country and even the region.

EMPLOYMENT TRENDS IN THE GJMC

South Africa's poor economic performance, and specifically the decline of the manufacturing sector, has had important consequences for the sectoral distribution of employment. In summary, there has been both an absolute and relative employment decline in the major primary and secondary sectors of agriculture, manufacturing and mining. In contrast, the tertiary sectors of Government and non-Government services, and finance have increased. In effect, South Africa is exhibiting the same de-industrialisation pattern of the industrialised countries, but with an unemployment level of about 30 per cent, and growing (Crankshaw 1997b).

These national patterns are reflected in employment trends within the GJMC. Since the GJMC is at the centre of South Africa's industrial heartland, it has been severely affected by the decline of manufacturing output. Since 1980, employment in the

manufacturing sector has fallen from 24 to 16 per cent of all employment in the GJMC (Tables 3 & 4). Although gold mines within the GJMC produced most of South Africa's gold in 1945, these mines had all been worked out by 1980. Most of the gold mines are now found on the West Rand and in the Free State (Beavon 1997). Employment in the GJMC's mining sector is therefore a low 5 per cent and declining. Employment in services (which includes Government services) is a relatively high 33 per cent and has increased steadily over the last two decades. Other tertiary sub-sectors are also growing in absolute and relative terms. They are the commercial, financial and transport sectors that respectively employ 21, 13 and 6 per cent of the GJMC's workforce (Figs. 2 & 3). An indicator of this is the fact that by the early 1990s, there were almost 6 million m^2 of good quality office space in greater Johannesburg, which is more than all the office space of similar quality in all the other metropolitan areas combined (Beavon 1997).

IMPACT OF JOHANNESBURG'S ECONOMIC DECLINE ON POVERTY

Unemployment

The slow economic growth rate in the GJMC since 1980 has been accompanied by a faster rate of population growth. Between 1970 and 1997, the population of the GJMC increased from 1.5 to 3.8 million (Table 5). The estimates presented in Table 5 are based on the Population Censuses and, in our experience, are fairly reliable except for 1985. The figures for 1997 and 2001 are based on a projection of the 1995 estimates and the Gauteng estimates from the 1996 Census. An annual growth rate of 3.4 per cent was assumed. This annual growth rate assumed that 2.4 per cent per annum is due to natural population growth and that 1 per cent per annum was due to net in-migration (Greater Johannesburg Metropolitan Council 1998a). So, between 1970 and 1991, the annual growth rate of the population was 1.7 per cent, whereas the growth rate of employment lagged behind at only 1.3 per cent (See Table 3 & 5). The discrepancy between these two growth rates provides the demographic basis for rising unemployment in the GJMC and is shown in Fig. 4.

It is generally accepted that unemployment in South Africa is primarily a result of the low rate of employment growth rather than the relative costs of capital and labour (Bell & Padayachee 1984). According to the strict definition, unemployment has grown steadily from the end of the 1960s, rising from about 17 per cent to between 20 and 33 per cent in 1994, depending on whether one uses the strict or expanded definition (Crankshaw 1997b; Bhorat & Leibbrandt 1996). There is some debate over these two different unemployment figures. The first estimate is stricter because it only includes workers over 15 years of age who were not employed in the seven days prior to the survey and who took active steps to find work. The second definition is more expanded because it includes the discouraged work-seeker who would take a job if offered one, but has who not taken active steps to find one (Central Statistical Service 1996: v-vi). The Government only started using the expanded definition in 1987, so comparison with earlier estimates should be made using the strict definition. The strict definition of unemployment is also the one which corresponds to the standard international definition of unemployment and should be used when comparing South Africa's unemployment rates with other countries (Bhorat & Leibbrandt 1996). The 1995 October Household Survey reveals a slight drop in the unemployment rate to 17 per cent (strict definition) and 29 per cent (expanded definition) (Central Statistical Service 1996: 45). Following our own analysis of the October Household Survey

data, the strict and expanded unemployment rates for GJMC in 1995 were 15 and 33 per cent, respectively.

The fact that unemployment has grown because the rate of employment growth has been slower than the rate of population growth rate, means that much of the character of unemployment can be understood from a demographic perspective. In other words, because employment growth is lagging behind population growth, it is largely new entrants to the labour market who are unable to find work. Moreover, because new entrants to the labour market are almost always young people, most of the unemployed are also African. The fact that most young people in South Africa are African is largely due to the smaller proportion of coloureds, Indians and whites in the population (9, 3 and 11 per cent, respectively) and to their relatively low fertility rates (1.9, 2.9 and 2.5 respectively). Africans, by contrast, comprise 77 per cent of the population and have a fertility rate of 4.6 (Chimere-Dan 1994: 55; Statistics South Africa 1998).

Most of the other major features of urban poverty follow on from these demographic characteristics of unemployment, namely that the unemployed are more likely to be poorly educated, unskilled and female (see Bhorat & Leibbrandt 1996). Against this background and what at some level seems a set of intractable structural problems, it is germane to reflect on the impact of that future state policies may have on the urban poor.

As in the past, national and provincial government continues to exert significant power over economic policies associated with infrastructural investments and job creation. The largely neo-liberal Growth Employment and Redistribution programme (GEAR) (Nattrass 1996) has set the tone for much of the GJMC's policies, including its *iGoli*[2] strategy that emphasises efficient urban management (GJMC 1998b & 1999). Johannesburg is also directly affected by the province of Gauteng's spatial development initiative that aims to channel investment along specified corridors, notably that between Johannesburg and Pretoria (Spiroplous 1999). The pro-poor merits of both programmes have been heavily criticised. Potentially a significant opportunity exists to break with the centralised economic control associated with apartheid through the introduction of developmental local government (Parnell & Pieterse 1999). In terms of the new local government framework, municipalities not only assume responsibility for local economic development, but are also charged with developmental, poverty reducing, responsibilities. Thus far, the Johannesburg authorities have not been clear about a formal poverty reduction programme and have instead spoken of efficient service delivery and economic growth through the promotion of 'smart' capital and technology intensive industry that will allow Johannesburg to become a world or regional city (Beall et al 1999). It is a moot point as to whether this will, on its own, constitute the rescue remedy for transforming Johannesburg into a national and regional economic hub. It is less unclear that such a trajectory will not create extensive formal employment. Indeed, income generating opportunities for Johannesburg's lower income dwellers are more likely to result from the cities emerging reputation as a shopping mecca for the region (Tomlinson and Rogerson 1999).

At this stage, as Johannesburg is about to elect its first fully democratic municipal representatives[3], the economic scope of a developmental local government

programme is still being debated. And yet, from the above discussion, however, it is clear that urban poverty in Johannesburg is increasing and that unemployment is rising. At the same time there is no explicit discussion of how the needs of the poor are to be approached. Lest the new metropolitan government repeat the actions of its predecessor by compounding the hardships of the poorest of the poor, new pro-poor economic strategies will need to be carefully designed. Commonly, this task is done through the design of job creation and local economic development schemes. Elsewhere in the world there is now considerable evidence that such strategies have the capacity to harm the proposed beneficiaries because they fail to take account of a wider range of livelihood strategies adopted by the poor (Amis 1999; Vidler 1999). If local authorities are to do more good than harm, local economic development design must be socially sensitive. Such sensitivity is not possible without some understanding of the how unemployed people currently cope without access to regular jobs and income. It is to this question that we now turn.

LIVELIHOOD STRATEGIES AMONG THE POOR OF JOHANNESBURG

The lack of formal or regular employment leads to material deprivation and the associated dynamics of vulnerability and insecurity. A livelihood perspective, largely associated with studies of sustainable rural development (Carney, 1998), also emphasises the asset base of urban low-income households (Beall & Kanji 1999). Livelihood strategies constitute the responses of the poor to deprivation and insecurity. Both rural and urban studies of the livelihoods of the poor have emphasised collective and community based survival strategies and the involvement of the poor in decision-making processes regarding their own priorities and the development initiatives that affect them. A gender perspective on livelihoods further emphasises the inseparable relationship between productive activities be it paid work or income-generation and reproductive activities including household work and consumption.

Generally speaking urban livelihoods are less well understood than is the case for rural areas. Research on the poor has for a long time been focussed on the informal sector, and Johannesburg is no exception (c.f. Rogerson 1995*)*. Intra-household and inter-generational livelihood strategies in the city are poorly understood, particularly when the livelihood strategies are not based on paid work or income generating activities. The dearth of research on urban livelihoods in Johannesburg is disappointing, although results from the recent Soweto Survey undertaken by the Sociology Department of the University of the Witwatersrand suggest non-economic strategies of reciprocity are common there. It is also possible to extract from the rich secondary literature on Johannesburg, a number of indicators of the livelihood strategies adopted by the poor of the city. For example, the work of Muthwa (1995) on Orlando East highlights the critical aspect of household structure and gender relations. Her work examines the economic strategies of female-headed households in Orlando East and focuses on women who made an income through a combination of a number of informal activities concentrated in the small-scale or 'survivalist' end of the informal economy. She found that because of high levels of unemployment among both women and men in Soweto:

> *…male partners were generally no longer seen as a form of insurance against protracted poverty. Instead, the inability of men to provide for household sustenance coupled with the unreasonable spending priorities of men, were*

*found to be central in explaining the widespread breakdown of marital relations in Soweto. In a community where the bulk of households, irrespective of the gender of the head, are poor in any case, the ability to provide for the sustenance of the household becomes a paramount factor determining the nature and sustainability of male-female relations. Women faced with poverty, coupled with the stress of a bad marriage or an unrewarding relationship tended to opt out and sought the freedom to garner income by any means possible (*Muthwa 1995:263).

The break-up of the family is common in Johannesburg and has variously been interpreted as a consequence of poverty or a strategy to overcome it. But there are many other strategies adopted by people who want to survive and cope and modestly prosper, such as membership of religious organisations and informal savings clubs (stokvels), bulk buying schemes, communal eating arrangements, renting rooms and labour intensive solutions to housework to reduce costs such as use of fossil fuels for cooking, even in electrified areas. Even more harmful are strategies associated with reduced consumption resulting in increased child malnutrition. Increases in family based retailing or production resulting in an increase in child work and school drop out rates (Beall 2000). Both harmful and anti-social are the criminal activities in which unemployed people get involved and for which Johannesburg is becoming increasingly renowned. The point of using a livelihood approach is not to romanticise illegal or anti-social behaviour. Indeed, we will show how the poor are often the victims of criminal activity. Rather, sensitive knowledge about how the poor live and the challenges they face can allow policy makers to consider whether proposed state action will enhance, erode or ignore existing strategies through which the poor make a living. In a context of limited resources, where full welfare or employment are far off ideals, this is pragmatic politics. Livelihood strategies need not be seen as a series of isolated individualised events. Once the survival patterns of the poor are better understood it becomes obvious that, faced with no prospect of a job or regular income, people seek to optimise their quality of life by relying on activities in the reproductive sphere, and on the associated social familial relationships. Those who are fortunate enough to live in stable communities where levels of trust have been allowed to develop and have been nurtured, see their livelihood strategies extend to broader collectivities such as neighbourhoods, community groups and friendship networks and so on. Where communities have been wracked by conflict, crime and competition over scarce resources, even the most imaginative coping mechanisms are undermined. Hard won social assets are rapidly eroded (Moser 1998). This generalised pattern of responses can be illustrated from examples drawn from Alexandra township.

Coping with poverty: livelihood strategies in Alexandra township

Responses to poverty vary across cultural, racial and religious divides. As Johannesburg is a very cosmopolitan city there are a kaleidoscopic range of reactions to poverty. Focusing schematically on only one poor area, as we do now, does not do justice to the range of responses to poverty that have been recorded in a growing body of literature on urban life in Johannesburg. A single micro-case-study is an even less adequate reflection of the resourcefulness of the city's poor. The examples that we provide are all taken from one small, dense township to the north of Johannesburg known as Alexandra (Fig. 5). The township was started in 1912 and is now the most densely populated low-rise township in South Africa (*The Star* 21.04.1998). Within these 4.6 square kilometers about 150,000 people (estimated density is one person per

29 square meters) eke out a living, most without access to formal housing or employment (CASE 1998a). The responses of Alexandra residents to the poor conditions in which they live are indicative of the innovative, contradictory and highly politicised responses to poverty, marginalisation and inequality. However, they are not representative of the thousands of people living in more peripheral informal settlements, or those who have carved out a niche for themselves in the inner city or the suburban domestic servants quarters. The area of Alexandra is officially to be upgraded, but this will involve reducing the population by about half. According to the press (*The Star* 21.04.1998) 'this will be done by moving people into various housing schemes, by the construction of high rise buildings and the relocation of illegal immigrants by the Department of Home Affairs'. Plans for the 10 year upgrade of Alexandra are being resisted by the rich neighboring suburb of Sandton, and the future of the area remains uncertain effectively leaving residents to fend for themselves (*The Star* 06.05.1998).

Individual or household coping mechanisms

Levels of unemployment in Alexandra (32 per cent or 36 per cent of the economically active population) are very high, even compared to levels of unemployment elsewhere in Gauteng (29 per cent). Sources of income for Alexandra households come from low paid formal work and informal sector activities; the latter typically restricted to the retail sector. A high proportion of the Alexandra population (22 percent) depends on domestic work (CASE 1998b). Unsurprisingly, few respondents in the CASE survey listed crime as their major source of income. However, especially among marginalised youth, crime presents an alternative and increasingly popular means of survival.

According to the popular press, Johannesburg is in the midst of an unprecedented crime-wave that is centered on the affluent northern suburbs (Louw *et al*, 1998). Certainly, the distributional maps of housebreaking and of hijacking in Johannesburg shows clustering around the northern access road of Louis Botha. There are two explanations for this geographical pattern of crime. One is the concentration of wealth in white suburbia and the other is the location of the blighted township of Alexandra. High levels of car ownership among the middle classes of northern Johannesburg make them targets of vehicle high-jackers and the proximity of Alexandra offers a refuge for criminals. Once car thieves arrive at Alexandra, also known as 'dark city', they cannot be readily located by police because they disappear down the warren of paths between the shacks that characterise the dense and poorly-lit settlement. 'Chop shops' that are hidden, even from the air, make it possible for criminals to quickly strip the stolen vehicles for sale as spare parts. But Alexandra is not just a haven for thieves, it is also a site of crime.

Crime abounds within Alexandra. Workers returning home with weekly wages present particular opportunities for township thugs, who prey on local residents. Despite the image of Johannesburg's white elite being the object of crime, the poor of the townships suffer substantially more than the middle classes from crime (Louw *et al* 1998). No less than 75 per cent of Alexandra residents cited the increase in crime as the factor that had most negatively impacted on their lives since 1994 (CASE 1998b). These perceptions are borne out by reported figures of crime, especially serious crimes like rape and murder (GJMC 1997). Among the numerous coping

mechanisms adopted to survive, women in Alexandra will rarely leave the house (or shack) alone after dark and they avoid the dark passages that connect the shacks. Significantly it was the female hostel residents of Alexandra who were least optimistic about post-1994 improvements in the area (CASE 1998b). Under conditions such as these the poor may gain improvement in disposable income from crime prevention before than job creation.

Crime and violence are not the only illegal activities that are common in Alexandra. Many survival strategies are illegal, the most common of which is the illegal occupation of land by squatters. In the context of Alexandra, where space is at a premium, it is not easy to obtain land legally. The practice of building shacks below the building line is well established. In Alexandra the banks of the Jukskei River have been heavily settled with shacks, despite the prohibition of construction below the 50-year flood-line. The fact that many homes have been swept away in the heavy summer rains has not deterred households desperate for land who repeatedly recolonised the riverbanks. As the GJMC is all too aware, job creation without associated improvement in service delivery will fail adequately to improve the quality of life of the most marginal residents.

Other individual survival strategies, which though not illegal, fall outside of the protective regulation of the law, involve individuals becoming members of communal savings associations know as 'stokvels'. More than a third of all Alexandra residents belong to stockvels, which are essentially savings groups. This is nearly three times the number who belong to a political party and far more than the 2-3 per cent who are union members (CASE 1998b). Recently the traditional practice of stokvels has been abused by instigators of pyramid savings associations that have collapsed leaving unprotected members without their investments and with no legal recourse. Here protective measures to ensure safe access to the banking and financial sectors is a core component of strategies intended to improve the resources of the poor.

Inter-generational strategies within families

The most widely used inter-generational strategy adopted by the poor of Johannesburg is migrant labour. Traditionally young men moved to the city, either to the mines or to work for the municipality and later the manufacturing sector, where they lived in hostels (Parnell & Pirie 1991). Rural-born Africans who were not employed in the urban workforce were required under apartheid laws to remain on the reserves. The extent of the practice of moving between town and countryside under apartheid is underscored by the fact that in Johannesburg almost 2.5 percent of all shelter is hostel accommodation (Central Statistical Services 1996). Within the greater Johannesburg area hostels are clustered in industrial areas and in African townships. Alexandra, a township with a somewhat anomalous administrative history, became the focal point for single migrant accommodation in the greater Johannesburg area at the time that the other major African township, Soweto, was being developed for family housing (Lucas 1995). As a result some 17 per cent of the population in Alexandra lives in hostels. The number of migrants in the area may well be higher. In Johannesburg the shortage of housing means that recent arrivals tend to settle in informal shack areas, which in Alexandra account for a massive 48 per cent of all of the shelter (CASE 1998b). The CASE survey notes that about a quarter of the population of Alexandra has migrated there over the last five years, but unfortunately does not correlate

housing type with length of time in Alexandra. In Alexandra the fact that 6 per cent of residents of the poorest section of the township own livestock is indicative of strong rural links among the informally housed population (CASE 1998b).

Surprisingly little is known of the role that either national or regional migrancy plays in the lives of the urban poor of Alexandra, and this would be an important issue to pursue. One indication of the impact of migrancy in Alexandra is the variation in household structure, suggesting that many migrants do not bring their children to Johannesburg (Table 6). The manipulation of the urban household size (Table 7) also suggests that the poor of Alexandra are able to determine or limit the size of the urban household to maximise their survival. It may well be that the poorest of the poor of Alexandra are in fact those urbanites living in shacks without any rural base and thus unable to split the family to optimise resources.

Community level organisation

There is a proud tradition of community organisation in Alexandra. The Alexandra bus boycotts and the squatter movements of the 1950s (Bonner 1990) foreshadowed the oppositionary actions of a highly mobilised community. Like Soweto, Alexandra township was a militant centre of opposition to apartheid in the 1980s (Bozzoli 1996; Lucas 1995). As an important staging ground for the urban anti-apartheid revolution, the micro-politics of Alexandra were heavily contested (Bond 1990; Mayekiso 1996; Cawker 1996). The Alexandra Civic Organisation (ACO) and the ANC represented the two largest groupings within the township, but these are by no means the only significant political community organisations. Social deprivation and a lack of social homogeneity within the Alexandra population combined with state repression to fuel the formation of rival political organisations, whose divergent interests persist into the post-apartheid era. The impact of the inter community politics of Alexandra extends beyond the confines of the isolated township. For example the demise of the influence of SANCO (South African National Civic Organisation) is attributed to internal Alexandra politics (Mayekiso 1990; *Business Day* 30.03.1998; 14.05.1998).

For our purposes it is sufficient to note the highly charged local organisational environment of Alexandra, and to begin to explore how the dominant presence of these influential community political organisations impacted on the lives of ordinary residents. The published record of civic organisations in Alexandra is now somewhat dated. But, reflecting the violent and perhaps exceptional times of the eve of apartheid's' downfall is not without merit. In deprived areas like Alexandra whether the municipality is promoting job creation, allocating housing or improving access to transport services, existing political structures will impact on the effectiveness of the operation.

The rich ethnographies of Alexandra in the late 1980s provide powerful cameos on the role of community organisations in the lives of Johannesburg's poor. The first feature to emerge is that of the highly spatialised experience of Alexandra community organisations' opposition to apartheid brought a new geography to the township experience: Bozzoli (1996: 8-9) reports on the metamorphosis:

> *What it meant to live in a Yard, a Block or a Street, changes during the revolt. Each became an arena for mobilisation rather than residence. Many people speak today of how the formation of a yard committee represented something*

entirely new and liberating for them, entailing a reconceptualisation of the meaning of their own 'normal' living spaces.'

A second aspect to be drawn from the accounts of the 1980s community organisations is the imperative of recognising the legacy of opposition. Alexandra 'war stories' are a sobering reminder of the politically charged territories within which community based participatory poverty reduction developments must now take place. The internecine conflict that underscored the establishment of territory and community then means there are old scores to be settled now. The appropriation of township landmarks by different factions, and the adoption of intricate youth cultures and styles symbolic of political association and status has generated a complex map onto which development projects must be drawn. Against the background of the complex community politics of the 1980s, it is naive to expect an uncontested allocation of post-apartheid reconstruction resources for the reconstruction of Alexandra township. In this extraordinarily politicised environment, ensuring community representation and participation demands considerable community knowledge and substantial diplomatic expertise.

LESSONS FROM THE LIVELIHOOD STRATEGIES OF THE POOR

Poor communities depend on a cohesive social (family, and community) fabric to survive in the face of economic uncertainty. Optimum interventions to enhance the quality of life of poor residents should therefore be associated with integrated social and economic development. As part of the new local government dispensation the Johannesburg municipality is increasingly setting the policy parameters for dealing with both economic growth and poverty reduction. The GJMC has taken a strong public position on the economic base of urban poverty and advocates growth and job creation as strategies for development (GJMC 1998b). Their position on social development remains, by default, unspecified. By buying into the national policy of GEAR and the provincial strategy of 'Smart Gauteng' there are worrying signs of an overtly simplistic growth oriented, economistic approach to resolving the escalation of poverty in the city.

Given the overall economic climate in which Johannesburg is operating, and noting especially the escalation in unemployment and the marginalisation of unskilled workers, the emphasis on local economic development is clearly sensible. Job creation must be a central pillar of a poverty reduction strategy. But, we have argued, in a context of rising poverty where full employment is an unachievable goal, shifts in municipal officials' and politicians' perspectives are required if the problems of the urban unemployed of Johannesburg are to be appropriately addressed. Specifically we suggest that the adoption of a narrow economistic approach to local economic development that stresses job creation and/or service delivery and essentialises citizens' productive roles over their roles as consumer or reproducers, may harm the poorest of the poor. An alternative livelihood based conception that overtly addresses the social relations of the poor as part of the solution to the unemployment problem facing the Greater Johannesburg Metropolitan Council, is therefore advocated (Beall et al). The first step for a local authority seeking to address the livelihood strategies of poor residents is to see beyond the formal/informal job divide to recognise the many ways that the poor optimise their livelihoods. Next, authorities have to recognise local

social and cultural mechanisms that enhance and detract from the livelihoods of the poor. Finally, pro-poor municipal policy and action needs to be devised and executed in a manner that is sensitive to optimising the livelihood strategies of the poor and of the city.

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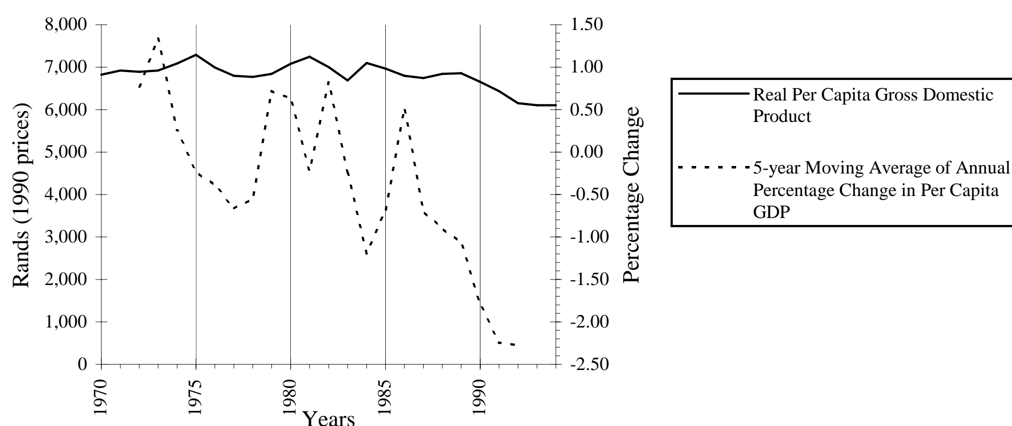
Table 1. Per Capita Gross Domestic Product, 1970-1994 (at 1990 prices)

Year	Per Capita GDP (1990 Rands)	Annual Percentage Growth in Per Capita GDP
1970	6,825	
1971	6,920	1.39
1972	6,889	-0.45
1973	6,920	0.45
1974	7,090	2.46
1975	7,291	2.83
1976	6,998	-4.02
1977	6,797	-2.87
1978	6,774	-0.34
1979	6,846	1.06
1980	7,080	3.42
1981	7,244	2.32
1982	7,004	-3.31
1983	6,684	-4.57
1984	7,102	6.25
1985	6,967	-1.90
1986	6,799	-2.41
1987	6,744	-0.81
1988	6,841	1.44
1989	6,855	0.20
1990	6,655	-2.92
1991	6,439	-3.25
1992	6,153	-4.44
1993	6,103	-0.81
1994	6,105	0.03

Source: *South African Statistics 1995* (Central Statistical Service, Pretoria, 1997), page 21.5.

Figure 1:
Per Capita Gross Domestic Product, 1970-1994



Sources: Central Statistical Service 1981, 1988, 1993, 1994 and 1995.

Table 2. Per Capita GGP for the Greater Johannesburg Metropolitan Council, 1970-1991

	Population	GGP (1990 prices)	Per Capita GGP	Average Annual Per Capita Growth in GGP	
1970	1,560,132	R27,504,580,247	R17,630		
1980	1,880,764	R29,343,806,349	R15,602	1970-1980	-1.2
1991	2,215,185	R34,871,897,666	R15,742	1980-1991	0.1

Sources: Central Statistical Service 1981, 1988, 1993, 1994 and 1995.

Table 3. Employment by Economic Sector in the GJMC, 1970-1991

	1970	1980	1985	1991
Agriculture	7,837	7,037	7,454	5,402
Mining	35,956	24,841	23,603	21,603
Manufacturing	168,329	199,217	169,940	147,266
Electricity	6,683	9,530	9,931	13,069
Construction	55,554	42,041	53,785	55,725
Commerce	126,831	169,404	146,138	196,058
Transport	33,663	43,192	43,588	54,272
Finance	58,193	79,031	89,737	119,305
Services	203,362	255,469	241,827	307,460
Total	696,408	829,762	786,003	920,160

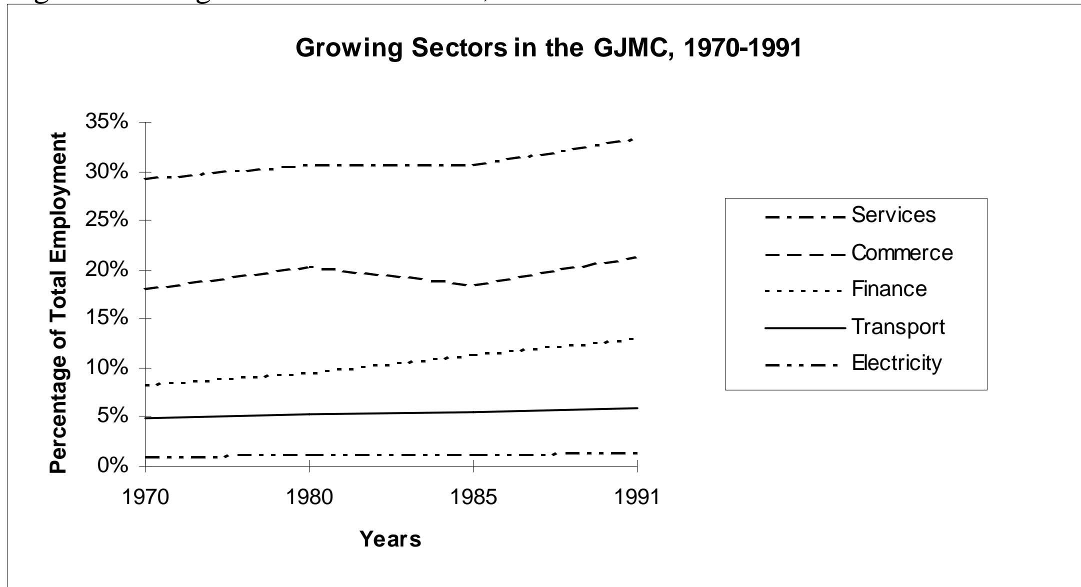
Source: Source: South Africa (1976, 1985, 1986, 1992)

Table 4. Employment by Economic Sector in the GJMC, 1970-1991
(percentage distributions)

	1970	1980	1985	1991
Agriculture	1%	1%	1%	1%
Mining	5%	3%	3%	2%
Manufacturing	24%	24%	22%	16%
Electricity	1%	1%	1%	1%
Construction	8%	5%	7%	6%
Commerce	18%	20%	19%	21%
Transport	5%	5%	6%	6%
Finance	8%	10%	11%	13%
Services	29%	31%	31%	33%
Total	100%	100%	100%	100%

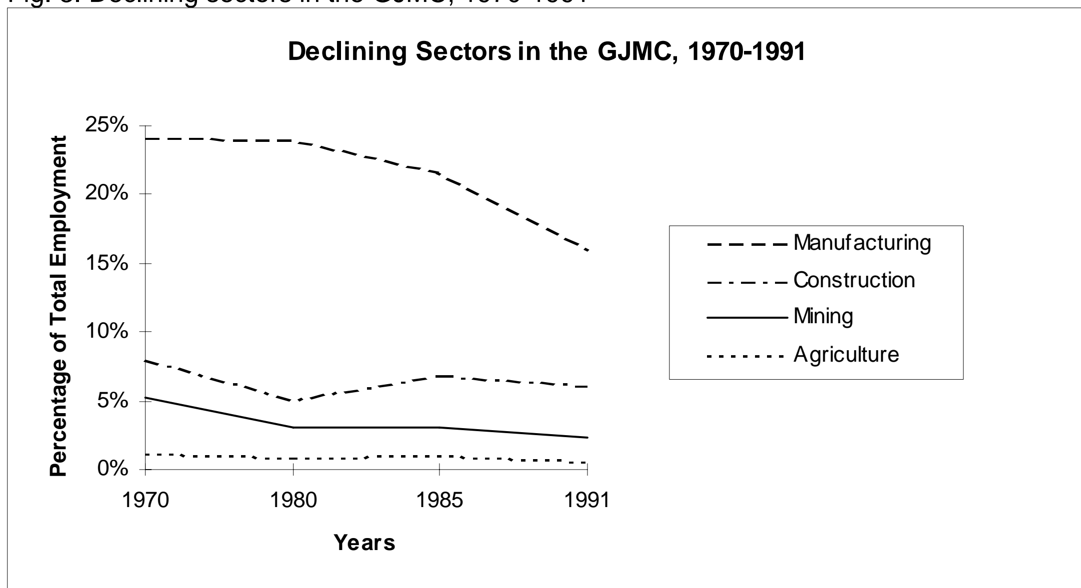
Source: South Africa (1976, 1985, 1986, 1992)

Fig. 2. Growing sectors in the GJMC, 1970-19991



Source: Source: South Africa (1976, 1985, 1986, 1992)

Fig. 3. Declining sectors in the GJMC, 1970-1991



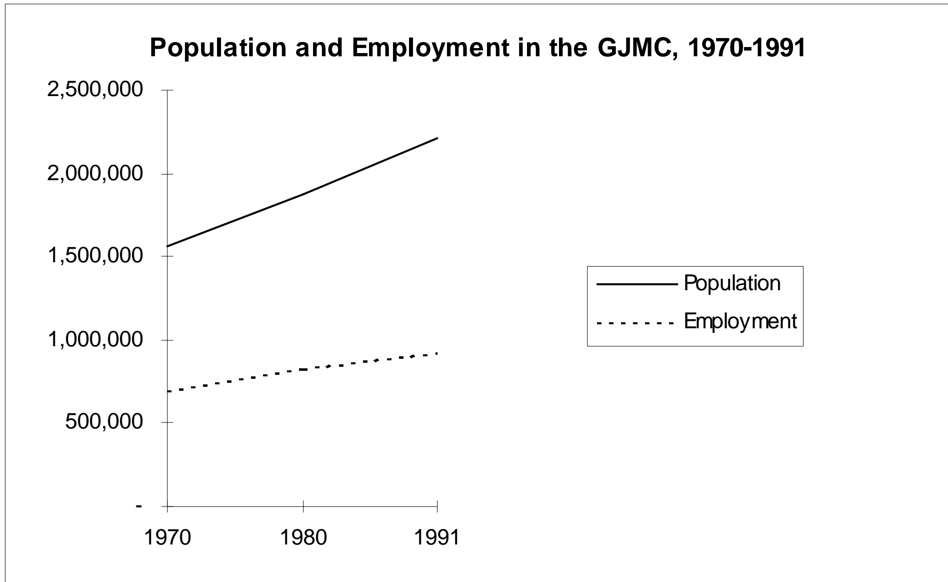
Source: South Africa (1976, 1985, 1986, 1992)

Table 5. Population within the Current Boundaries of the GJMC, 1970-2001

1970	1,560,132
1980	1,880,764
1985	1,780,303
1991	2,215,185
1997	3,800,652
2001	4,100,000

Sources: Central Statistical Service (1976, 1985, 1986, 1992); Greater Johannesburg Metropolitan Council (1998a), p.13.

Fig. 4. Populations and Employment in the GJHMC, 1970-1991



Source: South Africa 1976, 1985, 1986, 1992; Central Statistical Service 1976, 1985, 1986, 1992; Greater Johannesburg Metropolitan Council 1998a p.13.

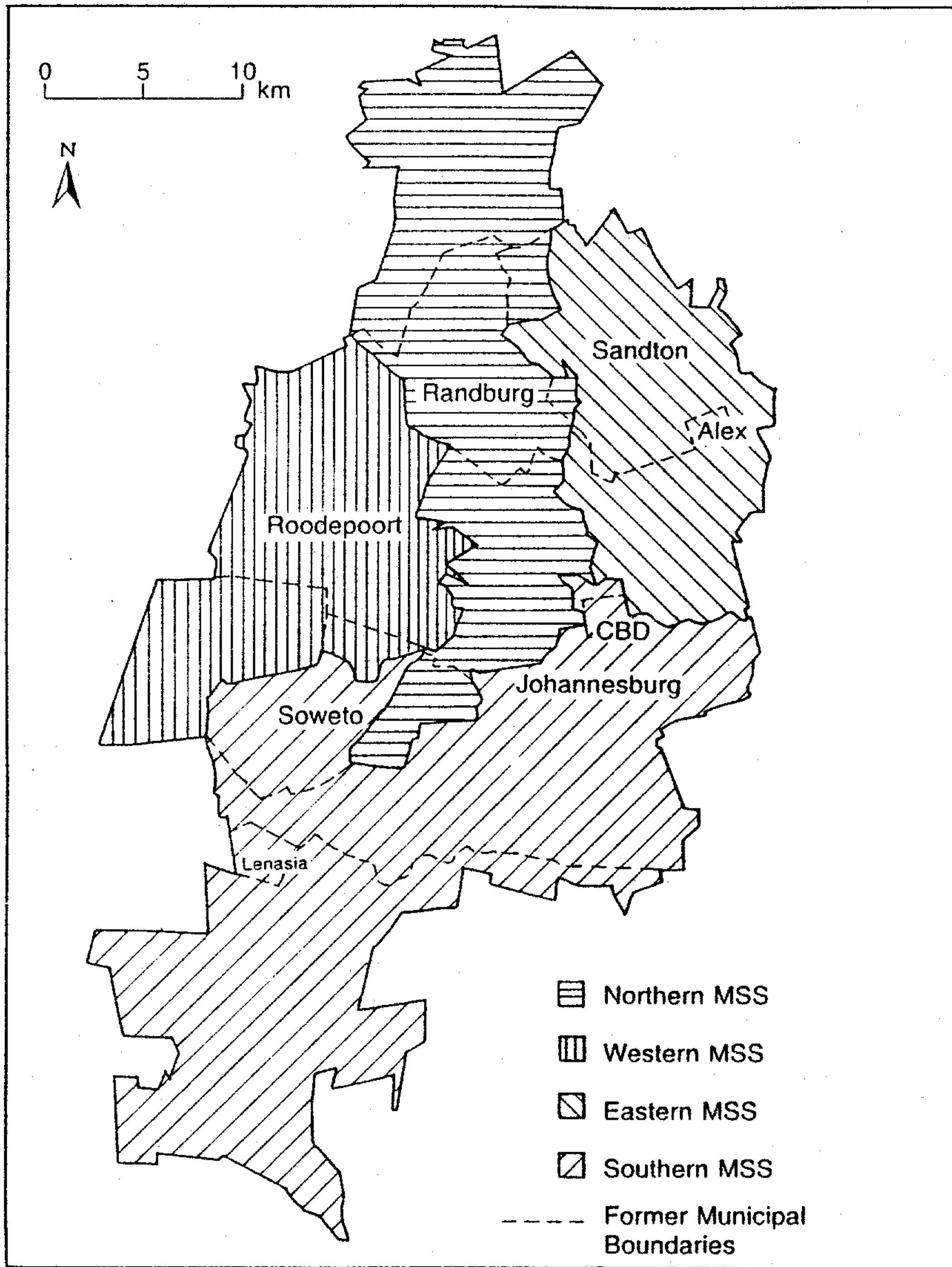


Fig.5. The GJMC in perspective (Beavon 1997)

Table 6: Number of Children per dwelling type (CASE, 1998b)

Dwelling Type	Children per household	Percentage of Children in Alexandra
Formal	1.43	42
Informal	0.99	44
East Bank (Private home ownership)	1.45	3
Flats	1.46	4
Male hostel	0.15	2
Female hostel	0.38	3
'Shtwetla' shacks	0.64	2
Total	1.00	100

Table 7: Household per capita monthly income in Alexandra (CASE 1998)

Dwelling Type	Average monthly household income (Rands)	Per capita income (Rands)
Formal	1275	313
Informal	891	280
East Bank (Private home ownership)	2503	656
Flats	1662	389
Male hostel	719	550
Female hostel	753	513
'Shtwetla' shacks	752	285

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[1] This article is drawn from the unpublished report J. Beall, O. Crankshaw and S. Parnell (1999) Urban Governance, Partnership and Poverty in Johannesburg prepared for ESCOR, mimeo available from the University of Birmingham. We wish to thank the many people both within and outside of the GJMC and its sub-structures who made information available to us and generously gave of their time.

[2] iGoli refers to the GJMC strategic vision. The vision carries contradictory objectives, prompted by the imperatives of fiscal crisis and the developmental vision of post-apartheid local government. Programmes emanating from iGoli are currently being designed.

[3] Until the 2000 elections an interim structure of local government was in operation as the structure of municipal government was not decided in the negotiated settlement and was only designed following the 1994 transition.