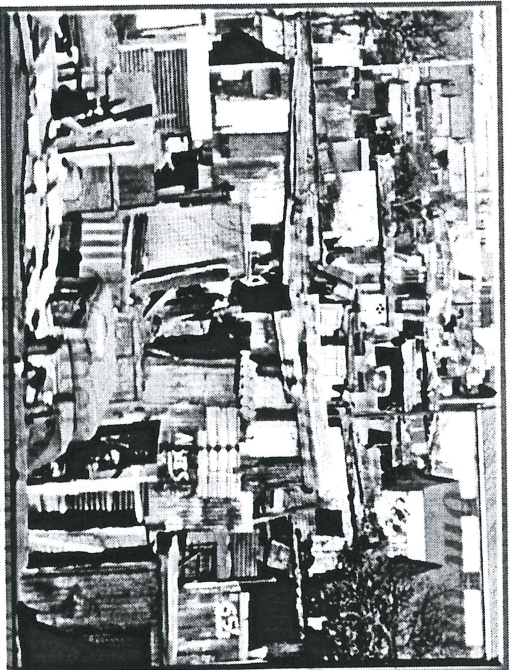


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POVERTY POCKETS IN GAUTENG: HOW MIGRATION IMPACTS POVERTY

Report to the Gauteng Intersectoral Development Unit



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- 1) Presentation to the ^{reporting} workshop to the sponsors (Dept of Social Development), Johannesburg, Turffontein Raecourde 2005
- 2) Presentation at the launch of the Final report. Video conference Room, HSRC, Pretoria. 1 Nov 2005

Findings from an HSRC study for the Gauteng Intersectoral Development Unit

by

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Where does urban poverty come from?

Poverty in our cities is probably the key planning question of this millennium –

Metro Gauteng probably has the strongest pulling power of any African city

New streams of the rural poor arrive daily

Is this rural-to-urban migration the main root cause of urban poverty?

And, can South Africa accommodate these high rates of rural migration?

What do poverty pockets mean?

The major metros have been cracking down on informal settlement by the poor, trying to hold back rural migration

- Informal settlement evades attempts to control it
- On the ground, it forms **poverty pockets** in areas the cities can't easily defend
- Poverty pockets are **concentrated settlements occupied mainly by the poor**

But, are the people in the shacks rural in-migrants?

What were the key findings?

We compared two ways to identify poverty pockets:

- (1) using ten measures from the GPPAC poverty index
- (2) taking out one key measure: extreme low income set at less than R 800 /month per household
- Using income alone, we found **32 % of poverty pockets identified were not in shack areas**
- They're in metro areas with formal housing and services

Some implications for housing

This looks like poverty coming from inside the metro cities, not from the rural sector

- It seems like people are **leaking back into shack settlements** from existing townships
- This holds implications for housing delivery to integrate the arriving poor

Research findings suggest that serviced housing alone is not enough –

There will have to be jobs as well in order for the housing strategy to work

Housing as the solution to rural in-migration

This result has implications for government policy around integrating the in-migrant poor through **provision of serviced housing** –

- Housing is to give the arriving poor a platform for accumulating an asset base and **investing in their future**
- **Costs of free housing may not be affordable** if the family is living on a social grant
- Research results suggest families are **leaking back into the shacks** from the existing townships

What did the study cover?

In 2004, **Gauteng Intersectoral Development Unit** commissioned work on migration and poverty pockets from HSRC in Tshwane. The study was done in 2005, using Census data for Gauteng Province, along with qualitative study and GIS.

Our key questions:

- Where do metro **poverty pockets** come from?
- How can the provinces **ensure no more** poverty pockets?

The poverty index: Gauteng's GPPAC poverty signs

The study developed an *index of poverty* based on the work of the Gauteng Provincial Poverty Alleviation Committee.

The GPPAC index uses 12 factors

as signs of poverty, while

HSRC's version included the 10 we could get data for. There is no data at the right level for *malnutrition* and *social grants uptake*.

- Dwelling type
- Access to water
- Electricity access
- Refuse removal
- Sanitation
- Low household income
- Overcrowded living
- Literacy/ education
- Unemployment rate
- Women-headed households

Mapping poverty and migration

Legend

Combined Index

-85% to -5%

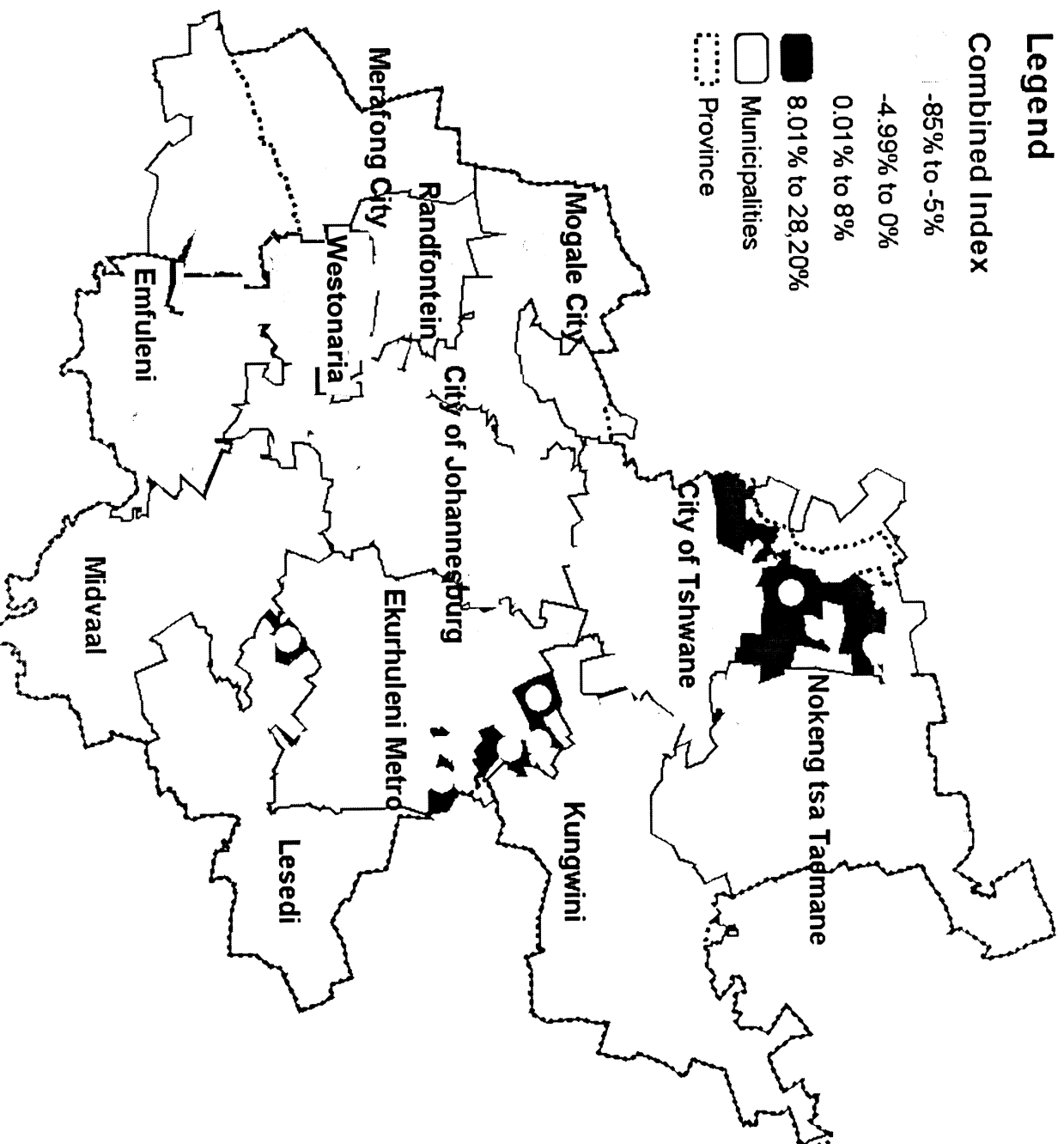
-4.99% to 0%

0.01% to 8%

8.01% to 28,20%

Municipalities

Province



Gauteng's profile on GPAC's key poverty signs

Key poverty signs: Census averages for
Gauteng Province

% Informal housing	17 percent
% Lack hard services	17 percent
Strict unemployment rate	18 percent
HH income < R 800/m	29 percent
In-migration rate	23 percent
Net migration rate	5 percent

Profiling Gauteng's poverty pockets to compare

	Highest	Lowest
poverty index: HH inc:		
% Informal housing	98	68
% Lack hard services	98	71
Strict unemployment rate	43	39
Very low H/H income	72	84

How about the migration pockets?

- **The high-migration pockets** identified recorded informal housing at 33% for fast in-migration places and 42 % for high net migration
- This is double the Gauteng average
- But it's only about half the level of informal housing found in the **poverty pockets**

It means only about a third of Gauteng's high-migration places are actually located in shack areas – Gauteng's fastest migration rates were intra-city, not rural-to-urban

Is migration linked to poverty?

To test the overall relation of *poverty and migration pockets* in Gauteng:

- We ranked all the 149 *main Census areas* in Gauteng
- We combined the GPAC poverty index and the rate of migration
- Results show very high levels for poverty and for migration don't always go together
- But for all 149 main places, the trend is strong and linear – *poverty is linked with migration*

Drilling down to the lowest level

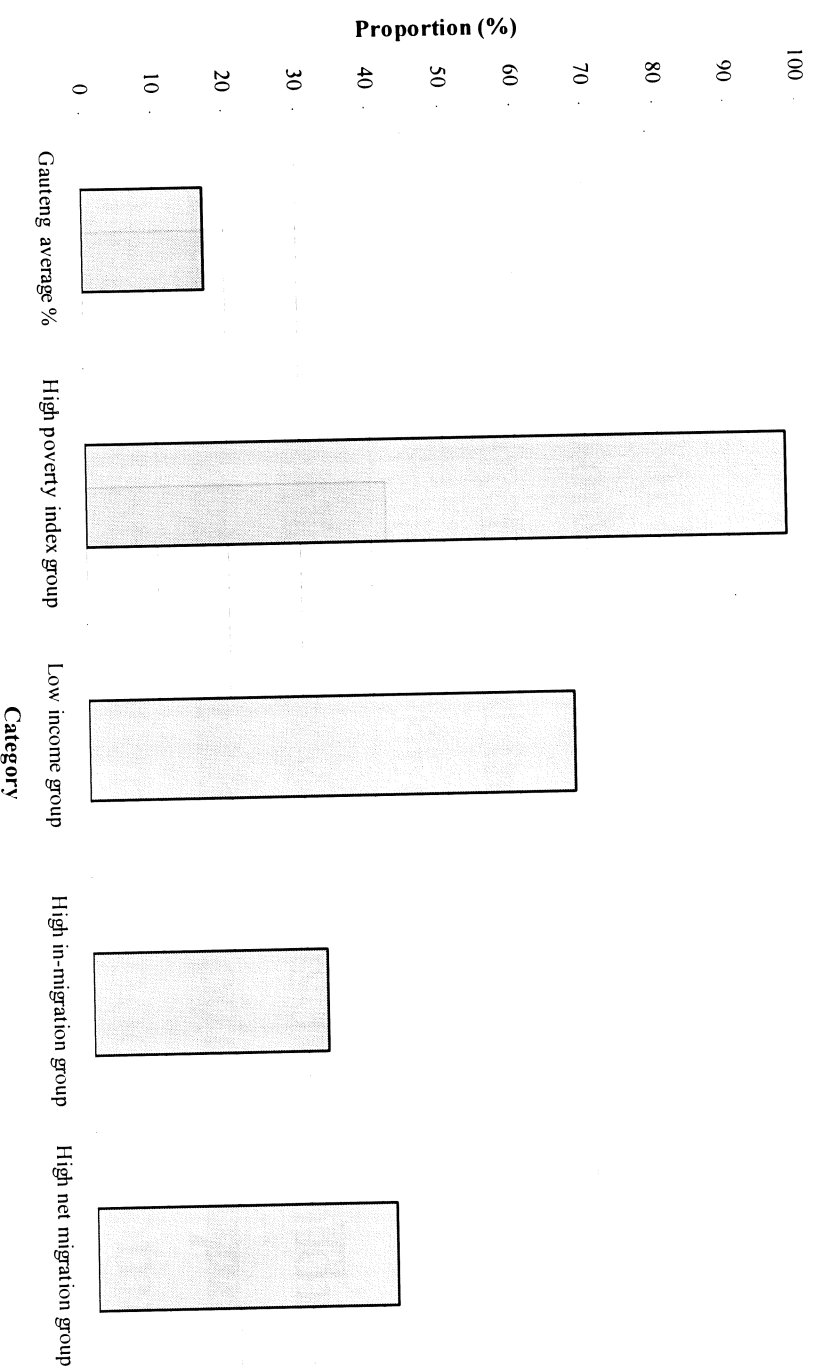
The second part of the study drilled down closer to the local level. Gauteng has *2022 named local communities* – we ranked all 2022 on the *four key measures*:

1. The GPAPAC ten-part poverty index
2. Very low household income (total income <R 800/ month)
3. Level of in-migration (rate migrants come in)
4. Level of net migration (rate in-migrants who stay)

The top 24 areas in each category were selected to *profile the specific characteristics* for pockets of high migration and pockets of worst poverty

How it works out: Housing

Making comparisons: Housing



Can poverty pockets be eliminated by housing delivery?

- The bar chart shows that **poverty pockets are not all the same**
 - The pockets identified by the broad-based GPPAC index are in shacks and **need housing**
 - But many of the income-poverty pockets already have formal housing, and they are **still poor**
 - They are so poor they may lose their houses and slide **back into the shacks**
- **Unemployment is undermining South Africa's housing delivery strategy** for integrating rural migration into the cities

Looking at how rural migration becomes poverty in the cities -

Results indicate that migration from rural to urban areas in search of a better life may bankrupt the metro cities unless they can generate sustainable mass employment

- Policy often assumes that urban poverty results from migration alone - *probably not*.
- Our results suggest poverty can result from movement within cities by city residents whose incomes are too low to sustain housing costs

Urban poverty: What are we afraid of?

- Planners fear that the **welfare burden of the arriving poor** carries a risk of downward economic spiral – unproductive spending and loss of competitiveness
- The worst-case scenario is **cities of poverty, middle-class flight and entrenchment of shack areas**
- Afraid of costs, nervous planners have been asking **the poor to sacrifice expectations of housing and services**, to free more funds for job-creating infrastructure

Urban poverty: do we have reason to be afraid?

- Migration from rural to urban areas can't be **controlled with legislation** – settlement by the poor does not comply with regulations
- The poor come to the cities for a **decent life now**
- **The response from the poor to planners'** demands that they moderate their expectations is being heard in the **country-wide protests over housing and services**

Does the housing strategy work?

Government is investing heavily and is on the right track, but it's an **expensive gamble** –

- The housing strategy has to put people into a position to **invest in their own futures**
- **Extreme unemployment is undermining this strategy**
- Our results show there will have to be jobs as well as housing and services –
- **Without jobs for income, the housing and services package is likely to be unsustainable for many**

Jobs, not houses, are key to urban poverty?

Unless the poor who are migrating into the urban areas can find steady work, SA's cities may risk **going under**

- The key metro strategy for integrating in-migration may not be working
- The accumulating burden of poverty alleviation programmes may undercut city budgets
- Faith in the government can steadily erode

Our findings imply that **delivery of housing and services alone is not an answer**

Is rural-urban migration the main cause of urban poverty?

- It looks like urban poverty is not due to migration alone – a lot of poverty is created within the city
- Urban residents who lose wage income probably move into poverty pockets
- Decay of housing and services also destroys their asset base, helping push families back down into poverty
- Self-investment won't happen if housing and services fall apart – the services protests and electricity blackouts are only the tip of the iceberg

Policies – what can be done?

Migration does not obey legislation, and **subsidies attract more migration** by poorer migrants. Some partial solutions?

- 1 **Understand migration determinants** to be able to use **incentives** to steer migration to sustainable places
- 2 Look at the **macro-economic job measures** coming from both the trade unions and big capital
- 3 Make it easier for the **urban poor to build an asset base** – offer savings options, and go for decent-neighbourhoods policies

However...

Our results suggest that serviced housing provision alone may let through enough poverty to lead to **unsustainable outcomes in South Africa's metro cities.**