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Poverty in South Africa: residual, performative or structurally reproducing?

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Good afternoon and thank you for coming. All due protocol observed. I would like to particularly acknowledge the staff present from the SARCHi Chair in Applied Poverty Reduction and colleagues from the School of Built Environment and Development of which I am a member. I am inspired by and indebted to all of them, and much of their work features in what follows.

Slide 5: Plan

In this lecture I will first talk about the extent of poverty in South Africa and some characteristics of what it means to measure. The importance of measurement is to try and catalyse social change by giving citizens and policy makers the knowledge they need to act and spend wisely for a better South Africa. However, measurement in itself tells us nothing about the causes of poverty, and little about what policy makers may in fact do with the evidence, particularly when it competes with other spending priorities. Thus I will briefly examine what the category of poverty does in public policy discourse, and how poor people sit at the bottom of a social order which often produces wealth for others because of their poverty.

I will then move to ask whether poverty is a small residual problem of cleaning up conditions for a small group who have somehow been left behind, like waiting for growth to do its job, or whether the macro-economy of South Africa, and global financialisation are reproducing the same conditions that will

[1] This work is based on research supported by the South African Research Chairs initiative of the Department of Science and Technology and National Research Foundation of South Africa (Grant No 71220). Any opinion, finding and conclusion or recommendation expressed in this material is that of the author(s) and the NRF does not accept any liability in this regard.

continue to cause poverty into the future. The overall argument of the lecture will be that poverty in the present is being co-produced by first, the regulatory choices made by the government of South Africa and its continued privileging of mining and the minerals energy complex over and above other policy priorities; and second, the investment and project finance structures that emanate from the global economy, which can be conceptualised as financialisation. There is also an addendum here that there are some senses in which poverty itself has been financialised with 'poverty' performative of its own conditions of reproduction.

Poverty and poverty measurement in South Africa

Slide 6: three poverty lines

There are three poverty lines in South Africa, generated from a cost-of-basic-needs approach: these are the food poverty line (FPL), the lower bound poverty line (LBPL) and the upper bound poverty line (UBPL). The first (FPL) is the Rand value below which individuals are unable to purchase or consume enough food to supply them with minimum per-capita-per-day energy requirements (set at a very low 2 100 kilocalories). The second and third poverty lines include non-food items, where individuals at the LBPL are not able to consume both adequate food and non-food items and thus miss meals to buy non-food essentials. Individuals at the UBPL are deemed able to purchase both adequate food and non-food items. The official poverty lines adopted in the National Development Plan of 2014 are R321, R443 and R620 per person per month[2].

[2] Statistics South Africa (2015), Methodological report on rebasing of national poverty lines and development of pilot provincial poverty lines: Technical Report, Report No 03-10-11 available from http://beta2.statssa.gov.za/publications/Report-03-10-11/Report-03-10-11.pdf

Using these poverty lines Statistics South Africa commented in April 2014:

> "poverty levels in the country have dropped since 2006, reaching a low of 45,5% in 2011, when applying the upper-bound poverty line (R620 per capita per month in 2011 prices). This translates into roughly 23 million people living below the upper-bound poverty line (UBPL)."

This was reported in a press statement under the headline "South Africa winning war on poverty", although for many, myself included, it is hard to see how a 'war' is 'being won' when 23 million people are still afflicted[3]. That point notwithstanding, the statement didn't say anything further about what had happened from the point of the 2011 survey to the date of the 2014 news release. This is partly due to the time it takes to analyse data from national statistical surveys, but it also points to the problem of how one is to measure poverty today, as we sit here. We could either launch another (very expensive) national household survey, generate new data, and then deflate those data to 2011 prices in order to generate a comparison to determine whether poverty has fallen or risen. Or, with statistical weightings applied to various variables, not least the more than 2 million new persons in the official population statistics added since then, we could use data from the consumer price index to inflate the poverty line of 2011 to the present. This would operationally update the poverty line yearly using the consumer price index.

What is perhaps surprising is that a poverty rate projection isn't constantly generated by the Department of National Statistics[4]. As it stands we have an

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[3] Press Statement: Poverty Trends in South Africa. "South Africa winning war on poverty". 3 April 2014. http://www.statssa.gov.za/?p=2591

[4] Comment from Dr Sandile Simelane, SSA: Stats SA provides poverty estimates every 2.5 years or so because it conducts the Living Conditions Survey (LCS) and Income & Expenditure Survey (IES) every 5 years, subject

advisory poverty line that exists today, that guides public servants, that is 'freeze frozen' from data collected in 2011, and adopted within the National Development Plan 2011. It is not clear whether this line has been updated subsequently when it is advised to other Departments in order to generate performance targets and benchmarks for social service delivery. To give our colleagues at Statistics South Africa credit, however – particularly Mr. Sandile Simelane - they have revised poverty lines according to the Consumer Price Index. The problem is the time lag with which these are officially adopted.

Slide 7: SSA CPI adjusted projections from a presentation by Sandile Simelane, 2015[5]

This could imply that the Government expects the poor to miraculously become immune to inflation. Strange as that may sound, there are many precedents in economic policy that make this assumption. Culturally, there are commensurabilities to this in the way poor people are treated in labour markets, with the established wage for a cleaner or security guard rarely rising according to inflation. The recent rise in the Child Grant again looked generous, but was not index-linked and actually represented a cut in the grant. That inflation is anti-poor, not least because the poor have little power to insist on timely adaptation of their incomes to adjust for it, has been established theoretically for some time. When the fixed lines that are officially adopted (in 2014) freeze frame poor people in a price world that has passed (2011) when

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to availability of funds, with a 2.5 gap between the two surveys (IES and LCS). Stats SA does provide inflation adjusted poverty lines covering the period 2000 - 2014. A series for the old poverty lines and the new "rebased" poverty lines is available. They are not published as a report but are made available to users (mainly Government Departments) on request.

[5] Presentation Statistics South Africa, by Dr Sandile Simelane "Rebasing national poverty lines and development of pilot provincial poverty lines for South Africa" 9th June 2015, p. 7 available from http://www.assaf.org.za/ASSAf%20news/Events%202015/1%20-%20The%20South%20African%20National%20Poverty%20Lines%20_%20Simelane.pdf

they are trying to live in another time (2015), the price inflation which has occurred in the interim is discounted as unimportant.

In addition, the poverty measurement may underestimate the depth of poverty in a number of fundamental ways. For example, the calculation of the non-food component of the second and third poverty lines, is not modelled from a basket of goods defined as needed, as in the calorific benchmark for the food, but on deviations from the food line based on actual households expenditures. In other words, the non-food component is generated from the notional opportunity cost approach[6], where the expenditures of households at the poverty line are analysed for how they start to swap a food item for expenditure on something else. The logic runs that since they only have the bare minimum quantity of food in any case, if they choose to forego any part of it, then the non-food item is essential. This generates poverty lines where, as is often the case since members of households do not consume equally, a mother might forego her own food consumption in order to avoid the shame of her child going to school without shoes.

In fact, the difference between the current official food poverty line and the lower bound poverty line is just R122 per month, around the price of some good school shoes, or 10 minibus fares, or one bar of soap, one tube of toothpaste, a clothes' washing bar and monthly feminine hygiene, which would together clear the whole monthly non-food budget. Or in fact one Barbie doll, for a child desperate to join in a global culture of consumerism, that many people take for granted.

[6] Cf. Ravallion, M. (1998). Poverty Lines in Theory and Practice. LSMS Working Paper No. 133: World Bank. Also Lanjouw, J.O. (2001). Demystifying Poverty Lines. UNDP Available at http://siteresources.worldbank.org/PGLP/Resources/LanjouwDemystifyingPovertyLines.pdf

Slide 8: Image of the pink world of girls' plastic toys

In other words, the difference between these lines in practise is extremely small. Alternatively, if the father and mother consumed one six pack of castle lager each per month they have consumed their whole budget for non-food items. But that level of abstinence would be unrepresentative of many South Africans. This illustrates another problem that serves to underestimate the depth of poverty, that as Statistics South Africa acknowledge, the food basket they model is based on data from the consumptions and expenditures of actual households, with all their irrational foibles included. With clear beer excluded, since 'not everyone in the household will drink it', but notably non-nutritious items included, such as polony and fizzy drinks, there is a weak relationship to whether the foods and drinks that are typically consumed to achieve the kilocalorie benchmark actually meet the full range of food needs of the body, such as vitamins and nutrients[7]. The role of cultural preferences and the need for people to demonstrate their identity through what they consume problematizes the rational calculative assumptions behind how people will behave when they have very little money.

In sum, the poverty lines have weaknesses. But we should not forget that they were an achievement to establish. Before around 2000, the poor weren't important enough to attract statistical efforts at all. And here is perhaps the main point, that whether a government chooses to measure; which poverty

[7] Comment by Dr Sandile Simelane: "Stats SA does not interpret the reference food basket used in the development of the three poverty lines as a healthy/ nutritious or recommended basket. It simply represents a nationally "representative basket of food" based on food expenditures reported in IES 2010/11. This point is highlighted in page 7 of the *methodological report on rebasing of national poverty lines and development of pilot provincial lines.* "

line they then choose; and how far it has legal traction, are all fundamentally a matter of politics. After all, the national constitutional right to food and freedom from destitution in South Africa are already established *de jure*, due to South Africa's signing and accession to the International Covenant on Economic, Social and Cultural Rights and the Universal Declaration of Human Rights. But they are everywhere breached *de facto* by the absence of a basic income grant. For a working aged adult with no registered disability there is no income assistance from the government, regardless of whether, and how a poverty line is set by a distant bureaucracy.

Slide 9: Re-benching exercise 2015[8]

Statistics South Africa recently suggested and conducted a re-benching exercise in 2015, although this was not based on any normative decision that the three – officially R321, R443 and R620 - were too low. Rather, rebasing took place because the lines were outdated, being based on 2000 IES data, in terms of spending and consumption patterns which change over time. As Dr Simelane of Statistics SA explains, in 2000 expenditures on items such as cellphones and airtime did not feature prominently, but are growing significantly over time, "[so] in a nutshell, the motive behind the rebasing exercise was to ensure that the lines remain relevant and in sync with current consumption patterns and levels" (By e-mail, 17th November 2015).

In the SSA technical report it was implicitly recommended that these poverty lines (established using data collected in the Income and Expenditure Survey (IES) 2010/11) be 'rebased' against evidence of what people were actually

[8] Statistics South Africa (2015) Methodological report on rebasing of national poverty lines and development of pilot provincial poverty lines. Available from http://beta2.statssa.gov.za/publications/Report-03-10-11/Report-03-10-11.pdf

buying at that time. The poverty line figures were all amended upward to R335, R501 and R779. The rebased 2011 Upper Bound Poverty Line (UBPL), then generated a poverty head count of 53.8% or a total of over 27.1 million individuals who are poor in South Africa, pegged at the need to spend R779 per-person-per-month on food and non-food items. This is the most generous, rebased, poverty line on offer. At the food poverty line, or we could call it the bare life index, where people are assumed to spend nothing on anything else but food, there was a high 21.7%, or just under 11 million South Africans classified as extremely poor, pegged at consuming (the readjusted) R335 per month, per person or less.

Slide 10: poverty lines are contentious

There are three aspects of this technical document that are particularly interesting. First, this is a rebasing exercise, so in 2011, using the officially adopted UBPL, 45.5 % of people were measured to be poor, whereas 're-based', we can since discover it to be 53.8%. This shows the power of measurement to create emotive categories and to generate disturbances in the media and public policy spheres as a consequence. For example, the report was presented by Statistician-General Pali Lehohla, and News24 immediately misunderstood and screamed the headline "More South Africans live in Poverty" (3rd February 2015)[9]. Obviously, this claim is not correspondent to anything actually changing (back then in 2011) excepting the form of measurement.

[9] City Press, "More South Africans Living in Poverty", 3rd February 2015
http://www.news24.com/Archives/City-Press/More-South-Africans-living-in-poverty-Stats-SA-20150429

But this headline, and others like it, do illustrate a powerful aspect of the act of measuring something. This is that measurement has the property, variously called performativity, or reactivity, to conjure into existence the thing it claims to be measuring, or at least to change the way that thing acts in the world. The way reactivity works, in the language of social science, is to change the agency of the thing being measured. For example, a person on R750 per month, could have woken up on 3rd February 2015, and noticed that yesterday they were not poor in 2011, and today they are, and redefined themselves accordingly. Or merely, thought 'eeish' 'What?" and trudged off to try and eke a living regardless. The point being, that just because something is measured it need not change – that is the underlying poverty. But equally, the act of measurement can change the way the social category, or socially constructed idea of poverty is managed, understood and performs to change social and economic relationships.

In fact, historically, one of the first results of absolute poverty measurement data in the 1990s, particularly through household surveying, was to convince people that they were poor, whereas before the surveying they might have termed themselves as living frugally, or coping with scarcity. More people thought they were poor because it was being measured for the first time. Some people were offended that others thought they were poor, or thought it profane. Fortunately, many people saw the opportunity for strategic political action, and began to own and use the category to put pressure on governments for economic change. In this respect, poverty data is useful.

But since the poverty lines are advisory, and highly political, a South African can be deemed to be 'in need' (or not) differently by different parts of the state. For example, the current eligibility for the Child Support Grant is currently set at less than R6,600 for the monthly income of the two adults together, (or R3,300 per month for a single person) who are then eligible for R330 per month. If a person meets these criteria, the Social Development department terms them ‘a caregiver in need’, and yet, without a child, an adult falls a long way before they are officially poor. For example, back in 2011, the child support grant eligibility was R2,600 per month for a single person, and R5,200 per month for a couple. Without a child they would be officially poor at R1,240 (twice the R620 official upper bound poverty line), at only 23.8 per cent of the income of the ‘caregivers in need’. The point is that the state can act in contradictory and inconsistent ways to different categories of its population.

Slides 11 -12 - 13 Clairwood poverty survey from SARCHi project[10]

However, because of the history of South Africa, and the use of spacial geography and planning tools to exclude some persons, a person may not be ‘seen’ at all. For example, in the SARCHi household survey in Clairwood, we found that those successfully able to claim grants from government or social assistance was only 44 % in an area where 57 % of *households,* not even individuals were on less than R3,000 per month. And only 88 per cent of that assistance was from government the government. With an average of 4 or 5 per household there are clearly many who are not able to claim what they are due.

Slide 14 residual poverty?

[10] Sarah Bracking and Kathleen Diga With Pia Falschebner, Mandy Lombo, Tawonga Rushambwa, and Ayanda Tshabalala (2015) Clairwood Survey: community views of the value of Clairwood in the context of current development plans for Durban port expansion Research Report 2015 No 1, https://appliedpovertyreduction.files.wordpress.com/2015/01/emailing-clairwood_qual_report-finished-minus-frequency-table1.pdf

So let us answer the question of whether poverty is residual in South Africa. Economic theory can be broadly characterised into two competing narratives or schools: neoliberalism and heterodox, critical or structuralist economics. In the former, poverty is largely seen as *residual*. As Milanovic rather sarcastically summarised in the journal *World Development*:

> "The only thing that a country needs to do is to open up its borders, reduce tariff rates, attract foreign capital, and in a few generations if not less, the poor will become rich, the illiterate will learn how to read and write, and inequality will vanish as the poor countries catch up with the rich" (Milanovic, 2003: 667)[11].

In other words, growth will generate jobs eventually, and we need only wait a while and all boats will be lifted by the tide.

Slide 15: Ayi Kwei Armah, *The Beautyful Ones Are Not Yet Born*

Needless to say, that it is intuitive that if over half your population is considered poor, and a fifth of the population as food hungry, 'residual' is not a good descriptor. As Ayi Kwei Armah, *The Beautyful Ones Are Not Yet Born*, 1968 summarised:

> "It would be the same for the children. They would grow up accustomed to senseless cycles…to efforts that could only end up placing them at other people's starting points, to the damning knowledge that the race would always be won by men on stilts, and they had not even been given crutches to help them" (1968, 118-119).

[11] Milanovic, B (2003), "The two faces of globalization: against globalization as we know it" *World Development*, 31, 4, ps. 667-683

Slide 16: many don't make it

Many people simply don't live very long under these conditions. Although this data is rather old, one illustration of this would be that:

> "Africa currently loses over 8 million people a year mainly to TB, HIV, Malaria, maternal mortality…..this tragic loss which is the equivalent of whole countries dying out and greater than losses from all modern conflicts combined is a result of weak or collapsed public health systems"[12].

Poverty and public policy

Slide 17: poverty gap

But one use of poverty data is to advocate for economic justice. For example, using the official poverty line (not the recommended rebased line) there are 20.2% of the South African population who lives below this poverty line. We can calculate how much money it would cost, at the food basket prices cited in the technical paper, using the poverty line and the poverty gap, to remove the 10.2 million South Africans out of poverty. The poverty gap is 6.2%, so you would need R19.90 per month or (R238.82 per year) per individual to eliminate food poverty. Multiplying the yearly figure (R238.82) by the total population of poor people (10 185 450), gives a figure of R2.43 billion rands per annum to remove people from food poverty in 2011[13].

Or, we can use the LBPL (Lower bound poverty line), which is what the National Development Plan (NDP) selected, when the government promised to

[12] Africa Public Health Development Trust, cited at Justice Africa, 2008

[13] I am indebted to Mrs. Kathleen Diga for these figures.

eliminate poverty by 2030. The LBPL was R443 at 2011 prices, the poverty head count was 32.3% or 16.3 million poor individuals. The poverty gap was 11.8%, so it would cost just R52.27 (per month) or R627.29 per year to eliminate poverty (lower bound). For the whole population, it would cost R10.2 billion per annum to remove all South African from poverty, using the official poverty line chosen by government.

These figures for eliminating food poverty - R2.43 billion Rands per annum – and lower bound poverty – R10.2 billion – can be compare it to some other items of government expenditure. The cost of 0% fee increases in higher education by comparison, has been estimated in 2016 at R4 billion per year, and free university education for those who cannot afford to pay at around R30-40 billion per annum. In 2011, when these figures were calculated, R77 billion was spent on debt service, this latter a full 8.7 per cent of the total National Revenue Fund. After contingency, this left R808 billion in the National Revenue Fund to be allocated between national, provincial and local government in 2011/12 – just 0.3 % of the Government's budget could have eliminated all extreme poverty.

Slide 18: Infrastructure and minerals energy

By comparison the cost of the Durban back-of-port infrastructure expansion (the second most important infrastructure project on the Government of South Africa's 'Special Infrastructure Project' (SIP) list) is projected to cost R250 billion, although not all of this is strictly government money, so much as projected sovereign debt. The point is that poverty is not a spending priority, in relation to the current emphasis in macroeconomic policy on infrastructure and the minerals energy complex. Both these expenditure preferences can be explained by the nature of power and political economy in South Africa, co-produced by financialisation processes globally. In fact, these two are synergistic: financialisation processes globally privilege big projects, gigantism, infrastructure, minerals extraction and the energy complex nationally[14]. With an impressively expensive list of SIP projects and additional coal-fired power stations planned nationally; and more locally, the gas shale fracking promised for KZN, along with offshore oil exploration; a larger refinery and even a nuclear power station, we stand at a critical moment in deciding the structural future of the South African economy.

But the first thing to note, is that none of these projects are justified with traditional types of economic impact assessment. As Desai (2015) recently summarised, the economics of investing R250 billion in a container port in Durban where costs are already the highest in the world, do not make standard economic sense:

> "Once more, like King Shaka airport, Moses Mabhida Stadium, and the International Convention Centre, ratepayers will have to make up the shortfall for massively underutilized infrastructure whose chief benefit it to those who get the contracts to build them and the political class who serve as the "business partners" " (Desai, 2015, 25).

[14] See Bracking, S (2016 forthcoming) *Financialisation of Power in Africa*, Routledge

Desai terms this “Faustian development’ (2015, 27), powerful because to oppose it is to be seen as “go[ing] against the national interest (2015, 32)[15].

Slides 19, 20, 21 Moses Mabhida stadium, and sports facilities for the poor

Slide 22: Financialisation

So why are financialisation and gigantism synergistic? There are three basic schools of theory on financialisation, where the term variously refers to the financialisation of capitalism itself; to the role of finance in increasingly shaping everyday life and other domains; and to the importance of greater shareholder influence in corporate decision-making. We can discard the latter two here. Within the first school, the greater influence of finance over other types of productive capital is stressed, with increased volumes of money capital relative to productive capital circulating and with greater shares of profits globally attached to derivatives markets as opposed to returns to corporates. The empirical evidence for these trends is ambiguous and also can’t be covered here. However, what is clear is that the way in which holders of money capital can shape the design of investments and project finance in Africa to privilege themselves over other types of shareholders and communities has taken hold within the countries believed to be desperate for ‘much-needed’ FDI. When finance holders do this, it is by making sure that the derivative income stream from a fixed asset is secure, as risk free as possible and extracted to an offshore SPV. Also, within the financialisation of capitalism literature there is a

[15] Desai, A. (2015), “Of Faustian Pacts and Mega-projects: The Politics and Economics of the Port Expansion in the South Basin of Durban, South Africa, *Capitalism Nature Socialism*, 26, 1, 18-34, available online 23rd October

clear motif around how finance works to constantly entrain new frontiers of people, non-human species and Nature. Scott recently wrote of this as profit-making from the 'Four Cheaps", of labour power, food, energy and raw materials. Key to capitalist accumulation are expropriation of the 'outside', the unpaid work of nonhumans and humans from "frontiers of uncapitalized natures" which lie "outside the circuit of capital but within reach of capitalist power" (Moore, 2014: 36)[16]

Slide 23: Financialisation generates illicit financial flows

Slide 24 Financialisation is facilitated by the offshore economy

Both finance working to extract value up and out to global money holders, and finance working to extract value from the 'Four Cheaps' are prevalent in the political economy of South Africa.

Slide 25: uMfolozi

For example, in mining licenses are increasingly given at great ecological and human expense. The iMfolozi coalmine in northern KZN extracts some multiplies of an Olympic size swimming pool every day from a watershed that was technically closed when the mine opened in 2006, (as in the demand of users matched or exceeded water supply). Both the animals in the neighbouring reserve and the proximate communities are paying a high price.

Slide 26: Clean Development Mechanism

[16] Moore, J. (2014), The End of Cheap Nature. Or How I Learned to Stop Worrying about "The" Environment and Love the Crisis of Capitalism, Structures of the World Political Economy and the Future of Global Conflict

Even when South Africa is ostensibly promoting carbon reduction and a green economy, expenditures show a preference for minerals and energy corporates. For example the public grants distributed through the CDM mechanism of the UNFCCC largely went to national mining and fossil fuel corporates.

Slide 27: Beneficiaries of CDM

The picture is similar in infrastructure. A quick perusal of national planning literature could lead you to the conclusion that the only thing that is more 'much-needed' in Africa than foreign direct investment, is infrastructure, with the World Bank promoting the view that there is 'gap' worth variously gigantic sounding sums of money. Infrastructural builds with protected derivative income streams are both a dream come true to financiers, but also serve to grow finance. For example, Torrance's (2009) work on a new Thames Water desalination plant, showed the reordering of priorities to providing finance to the investors rather than in providing water to customers. Apparently, this plant may not produce water and may be only used in a drought, but has inflation protected returns for institutional investors. Rather than water supply, "A more profound motivation seems to be the need for new infrastructural forms within which to ensure speculative gains" (Loftus and March, 2015: 175, summarising Torrance, 2009)[17].

President Zuma proposed a 'fast-track' for the environmental assessments of Special Infrastructure projects (SIPs), which are now managed from the Executive arm of Government in the Presidential Infrastructure Coordinating Commission, following the passing of the controversial Infrastructure

[17] Loftus, A. and March, H. (2015), ""Financialising nature?", *Geoforum*, 60, 172-175

Development Act into law in 2014 (Government of the Republic of South Africa, 2014). This promoted a new realm in the politics of exceptionalism due to a thinning of parliamentary oversight (Democratic Alliance, 2014). In terms of financialisation processes overall, there is a synergistic relationship between building infrastructure; concentrating power within party-states and the greater extractivism made possible for international financiers from African economies. The whole infrastructure exercise is then made popular through a language of 'mega-projects', the 'Madiba Magic' of global inclusion and modernity (Desai, 2015, 2016)[18].

The operational plans for the Durban port expansion will require the removal of a large number – contested but in the 10s of 1,000s - of settled families in Clairwood and surrounding neighbourhoods. This $25 billion 'Back of Port' (BOP) expansion plan (which includes petrochemical expansion) was named the second highest national priority in the National Development Plan 2012 (after the Waterberg-Richards Bay coal infrastructure expansion) and will take capacity at the Durban port from around 2 million to 20 million containers annually. It comes in a list falling under the Presidential Infrastructure Coordinating Commission, with the world's third and fourth largest coal-fired electricity generators at Kusile and Medupi (Desai, 2015, 23). Drawn up by consultants, the impact assessments read more like promotional literature. The key impact assessment already 'zones' out the people and the names of the communities affected in the title: *"A Local Area Plan and Land Use*

[18] Desai, A. (2016), "Between Madiba Magic and Spectacular Capitalism: The FIFA World Cup in South Africa", in Gruneau R. and Horne, J (eds.) *Mega-Events and Globalization: Capital and Spectacle in a Changing World Order*, Routledge, Abingdon, ps. 81-94

Management Scheme for the Back of Port Interface Zone" (2009). They have become an 'interface zone'.

In an alternative assessment of income, assets and actual employment already in the area, which were not offset as a deduction to the widely advertised jobs to be 'created' by the contracted consultants, Bracking and Diga found nearly 500 jobs (491, mostly informal) existing in just 1,000 representative households surveyed (Bracking and Diga, 2015: 16)[19]. Further, it was discovered that over 11.5% of the residents sampled were in informal (or "illegal") settlements, which were not counted for the resettlement considerations (Bracking and Diga, 2015, 9); 23.4 per cent of households were living on less than R1,000 per month (Diga and Bracking, 2015, 8); 57.3% cumulatively earned less than R3,000 (ibid); and only 43.4% were receiving social assistance, 87.8% of which was from the Government (Diga and Bracking, 2015, 18, 19).

At the time of the survey, the claimant income level for a Child Support Grant, for two people, was R6,600 suggesting that a significant portion of people who should have been able to collect assistance were not able to. In the survey, 18.1 % were successfully claiming Child Support, and 17.2 % an Old Age Pension (2015, 20). Thus the people and their environment have been historically neglected, and are not currently 'seen' by a state elite, and their contracted consultants, bent on capturing derivative income streams from construction and procurement. The poverty of the community was instead used against them to suggest that what would be lost was not worth saving,

[19] Diga K and Bracking S (2015) Descriptive Statistics – The developmental value of the Durban port expansion project, Research Report 2015 No 2 https://appliedpovertyreduction.files.wordpress.com/2015/01/technical-paper-2-final.pdf

despite huge cultural, social and historical infrastructure and capital present in the neighbourhood (Bracking, et al, 2015)[20].

Conclusion

Economic deprivation Involves

> "an economy of desired goods that are known, that may sometimes be seen, that one wants to enjoy, but to which one will never have material access" (Mbembe, 2002: 271; cited in Ferguson, 2006: 192)[21]

Here poverty is about (perceived) relational distance, whereby 'distance reduces elective affinity and sense of shared interests' (Woolcock, 2007: 4)[22]. It is often found in remote rural areas, where their social exclusion is spacially secured from the relatively wealthier. In South Africa a post-apartheid legacy of 'zoning' and criminalising 'informal' settlements allows a spatial geography to distance the rich from the poor.

Slide 34: James Ferguson, (2006) *Global Shadows*, Duke University Press

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[20] Sarah Bracking and Kathleen Diga With Pia Falschebner, Mandy Lombo, Tawonga Rushambwa, and Ayanda Tshabalala (2015) Clairwood Survey: community views of the value of Clairwood in the context of current development plans for Durban port expansion Research Report 2015 No 1, https://appliedpovertyreduction.files.wordpress.com/2015/01/emailing-clairwood_qual_report-finished-minus-frequency-table1.pdf

[21] Mbembe, Achille (2003), "Necropolitics", *Public Culture* 15(1): 11–40; Ferguson, J. (2006). *Global Shadows: Africa in the Neoliberal World Order*. Duke University Press.

[22] Woolcock, M (2007), Toward an Economic Sociology of Chronic Poverty: Enhancing the Rigor and Relevance of Social Theory, *Chronic Poverty Research Centre Working Paper No. 104* available from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1629197

The great James Ferguson put the issue of cultural distance and continued economic deprivation well:

> "the most challenging political demands go beyond the claims of political independence and instead involve demands for connection, and for relationship, even under conditions of inequality and dependence" (James Ferguson, 2006, 22)

Thus,

> "yearnings for cultural convergence with an imagined global standard …..can mark not simply mental colonization or capitulation to cultural imperialism, but an aspiration to overcome categorical subordination. The persistence of cultural difference, meanwhile….. can come to appear as the token not …..of brave cultural resistance, but of social and economic subjection (where a "traditional African way of life" is simply a polite name for poverty)." (2006, 20-21)

Slide 38: The poor are the unsung heroes of our age

The challenge going forward it to make a development studies discipline that can reduce the social distance and increase the elective affinity between citizens; which can foreclose on the planning and zoning norms which assign and abject persons to spatial poverty; and which can critically engage with national and global decisions and processes which privilege international money-holders in a synergistic relationship with national elites at the expense of the poor.

END[23]

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