

**Social Relations of Poverty:
A Case-Study from Owambo,
Namibia**

Inge Tvedten
Selma Nangulah

R 1999: 5

Recent Reports

- R 1998: 3 TJORE, Gro
Protective strategies in the 1990s: A review of the policy discourses in UNHCR and the executive committee. Bergen, 1998. (Price NOK 90 + postage)
- R 1998: 4 DIA, Mona
Boikott til hvilken pris? Barns situasjon i Irak og Burundi. Rapport for Redd Barna. Bergen, 1998 (Price NOK 90 + postage)
- R 1998: 5 NORDÅS, Hildegunn Kyvik
Macmood, a macroeconomic model for the Tanzanian economy. Bergen, 1998 (Price NOK 50 + postage)
- R 1998: 6 NORDÅS, Hildegunn Kyvik
Criteria for general budget support and general sector support. Report commissioned by the Norwegian Ministry of Foreign Affairs. Bergen, 1998 (Price NOK 50 + postage)
- R 1998: 7 BJERKELAND, Kristin M.
Korrupsjon. En studie av skatteadministrasjonen i Tanzania. Bergen, 1998, 102 pp. (Price NOK 90 + postage)
- R 1999: 1 NORDÅS, Hildegunn Kyvik
The impact of the financial and economic crisis in Asia on Norway's major development partners. Bergen, 1999, 29 pp. (Price NOK 50 + postage)
- R 1999: 2 NORDÅS, Hildegunn Kyvik med bidrag av Inge Tvedten og Arne Wiig
Effekter i mottakerlandene av norske petroleumsinvesteringer med hovedvekt på Angola. Bergen, 1999, 39 pp. (Price NOK 50 + postage)
- R 1999: 3 FJELDSTAD, Odd-Helge and Joseph Semboja
Local government taxation and tax administration in Tanzania. Bergen, 1999, 79 pp. (Price NOK 90 + postage)
- R 1999: 4 SUMAILA, Ussif Rashid et al.
Marine protected areas and managing fished ecosystems. Bergen, 1999, 53

A complete list of publications and Annual Report available free of charge

For priced publications:

Surface mail (B-economique) free with prepaid orders. For airmail (A-prioritaire) outside the Nordic countries add 20 %

Four easy ways to pay:

Cheque, issued in Norwegian kroner

Post office giro, paid by International Giro: 0808 5352661

SWIFT: DNBANOBB, Den norske Bank no: 5201.05.42308

Credit card: VISA only

Order from:

Chr. Michelsen Institute

P.O. Box 6033 Postterminalen, N-5892 Bergen, Norway

Fax: + 47 55 57 41 66 Phone: + 47 55 57 40 00 E-mail:

cmi@amadeus.cmi.no

Summary

Evidence from a number of quantitative studies on poverty in Namibia suggests that poverty is widespread, albeit unevenly distributed. The relatively high GDP per capita conceals wide income differentials by geographical location, occupation, age and gender. This study addresses urban poverty and the importance of social relations and networks ('social capital') in the coping strategies of the poor — a phenomenon which has received little attention in poverty research. On the basis of case studies of four shantytowns in Oshakati and two rural villages with extensive links to urban areas, it is argued that the poorest sections of the urban shantytowns are systematically marginalised and excluded from political, economic and social processes. Horizontal transfers and social capital play a role in spreading risk and reducing vulnerability — though more so for the somewhat better off than for the poorest in a setting where social relations increasingly have to be filled with material content to be sustainable. People apparently trapped in poverty and vulnerability are those for whom the shantytown encapsulates their universe both in socio-economic and cultural terms. While interventions with a view to developing social capital in the form of networks, associations, etc. are helpful, any serious attempt to reduce urban poverty in Namibia requires vertical transfers through an active public policy commitment by the government.

The study has been conducted under the Agreement of Co-operation between the Social Sciences Division of the University of Namibia (SSD/UNAM), the Namibia Economic Policy Research Unit (NEPRU) and the Chr. Michelsen Institute.

Inge Tvedten, Chr. Michelsen Institute, Bergen, Norway
Selma Nangulah, Social Sciences Division, University of Namibia

Social Relations of Poverty: A Case-Study from Owambo, Namibia

Inge Tvedten and Selma Nangulah

R 1999: 5



Chr. Michelsen Institute *Development Studies and Human Rights*

CMI Reports

This series can be ordered from:

Chr. Michelsen Institute

P.O. Box 6033 Postterminalen,

N-5892 Bergen, Norway

Tel: + 47 55 57 40 00

Fax: + 47 55 57 41 66

E-mail: cmi@amadeus.cmi.no

Web/URL: <http://www.cmi.no>

Price: NOK 50 + postage

ISSN 0805-505X

ISBN 82-90584-46-6

Indexing terms

Poverty

Urban areas

Rural areas

Social aspects

Namibia

Table of Contents

1. INTRODUCTION	1
2. POVERTY IN NAMIBIA	4
3. URBAN RELATIONS OF POVERTY	10
3.1 URBAN POVERTY.....	10
3.2 SOCIAL RELATIONS OF POVERTY	12
3.3 MARGINALIZATION AND SOCIAL EXCLUSION	13
4. POVERTY IN OSHAKATI	15
4.1 HISTORICAL AND STRUCTURAL CAUSES OF POVERTY	16
4.2 INCIDENCE AND CHARACTERISTICS OF POVERTY	18
4.2.1 <i>The Population</i>	20
4.2.2 <i>Socio-economic Characteristics</i>	22
4.2.3 <i>Health and Nutrition</i>	25
4.3 SOCIAL RELATIONS OF POVERTY	26
4.3.1 <i>The Household</i>	29
4.3.2 <i>The Extended Family</i>	31
4.3.3 <i>Neighbors and Friends</i>	34
4.3.4 <i>Urban Relations</i>	36
4.3.5 <i>Associations</i>	38
4.3.6 <i>Marginalization and Social Exclusion</i>	41
5. POVERTY IN RURAL OWAMBO	45
5.1 THE VILLAGES OF OMPUNDJA AND ONIHENDE.....	46
5.2 RELATIONS AND NETWORKS	49
5.2.1 <i>Rural-Urban Relations</i>	49
5.2.2 <i>Rural-Rural Relations</i>	51
6. CONCLUSIONS	55
REFERENCES	57



1. Introduction

This study has been conducted under the Agreement of Cooperation between the Social Sciences Division at the University of Namibia (SSD/UNAM), the Namibia Economic Policy Research Unit (NEPRU) and the Chr. Michelsen Institute (CMI) in Bergen, Norway. The Agreement was established in 1996, and is currently in its second phase (1998-1999). The main objectives of the Agreement are:

- To promote the development of professional competence at NEPRU, SSD/UNAM and CMI in the fields of development and economic policy research.
- To improve the quality of library services and skills at the three institutions.
- To generate and disseminate reputable research in both published and consultancy reports on topics of national and regional significance.

As partial fulfillment of these objectives, three joint research projects have been carried out. Topics for research were selected through a process where research needs identified by government, NGOs and donors, as well as the interests and qualifications of the research institutions themselves, were taken into consideration.¹

The topics singled out were poverty and migration. *Project 1* ("National Migration Study") is a national survey of the causes, effects and trends of migration, and *Project 2* ("Macro-Economic Policies and Poverty in Namibia") is a study of the relation between trade policies and poverty. The current *Project 3* ("Social Relations of Poverty") analyzes the role of social relations and networks in the survival strategies of the poor through a case-study from Owambo in Namibia. The study gives special attention to urban poverty and the role of urban-rural links.

While there is a relatively limited number of studies on migration in Namibia (Melber 1996; Pendleton and Frayne 1998; Tvedten and Pomuti 1998), there has been a large number of studies on various aspects of poverty to which we will return below. The studies reveal that poverty is pervasive in the country, and that income discrepancies are considerable. They tend to concentrate on issues of distribution and characteristics of poverty, using quantitative data on income and consumption and households and individuals as units of analysis.

¹ The selection was made in a seminar held in Windhoek in February 1997, with participation from government, NGOs and donors. As point of departure for discussions at the seminar, five jointly written papers on topics of common interest were presented and subsequently published (NEPRU 1998).

The current study discusses and analyzes qualitative aspects of poverty and urban-rural links. Our hypothesis is that social capital in the form of social relations and networks generally plays an important role in the survival strategies of the poor, but that the poorest and most vulnerable in urban and rural areas are characterized by limited sets of such networks both in time and space. This further exacerbates their political, economic and socio-cultural marginalization in Namibian society.

The characteristics of social relations and networks among the poor have important implications for our understanding of urban as well as rural poverty, and hence for policies of poverty alleviation. On the one hand support to the development of social capital (in the form of networks or associations) is important to alleviate the most extreme expressions of poverty in Namibia by "helping the poor to help themselves". On the other hand, the marginalization of the very poorest highlights the limitations of privately negotiated informal transfers (horizontal transfers) and underlines the need for publicly funded formal transfer programs (vertical transfers) to do something substantial about poverty in the country.

The study was carried out in the four largest shanty-areas areas in the town of Oshakati in Owambo, with a special focus on the richest and poorest areas respectively in terms of income. For comparative purposes, and to ascertain the perceptions of rural-urban relations from the rural point of view, fieldwork was also carried out in one village close to Oshakati (Ompundja in the Oshana region) and one village further away from urban areas (Oniihende in the Ohangwena region).

The study has been carried out through a combination of quantitative and qualitative methodologies. A baseline survey from the four informal settlement areas from 1994 has been used as a point of departure for the urban part of the study (Tvedten and Pomuti 1994). A more limited survey was carried out in the two rural villages, using the relevant questions from the urban survey. Qualitative methodologies such as structured interviews, group discussions, case-studies and participant observation were used both in the urban and rural areas of study.

In the following we will first briefly present relevant data on poverty and migration in Namibia as these appear in existing studies, and give an outline of our own theoretical point of departure (Section 2). We will then move on to analyze poverty, vulnerability and the role of relations and networks in the urban setting (Section 3) and the rural settings (Section 4) respectively. In the concluding section (Section 5), the potential and limitations of support to the development of social capital as a means to alleviate poverty will be discussed.

We would like to thank Akiser Pomuti from SSD for his invaluable contribution during the fieldwork in Oshakati, and Martha Naanda, Frieda Iigonda and Gabriel Daniel from SSD for their contributions during the fieldwork in the rural areas. We would also like to thank Dr. Stephen Devereux from the Institute of Development Studies (IDS) for valuable

comments to a draft version of this report.² Finally, our thanks go to thank the Norwegian Agency for Development Cooperation (NORAD) for their financial support to the Agreement of Cooperation, and Mr. Olav Myklebust and Dr. Gustav Klem from the Norwegian Embassy/ NORAD Representation in Windhoek for their consistent support and encouragement.

² This report and the two other reports mentioned above were presented at the seminar "Poverty and Migration in Namibia" in Bergen, Norway 19-20 August 1999.

2. Poverty in Namibia

There is a large number of studies on poverty in Namibia, and evidence of the distribution and characteristics of poverty is persuasive. The evidence points in the direction of a relatively high GDP per capita, concealing severe income differentials along lines of geographical location, occupation, age and gender. The general political context of the following analysis is thus one of a country with deep and widespread poverty, but also with a great deal of wealth concentrated on relatively few hands. The combination of poverty and inequality presents an almost unique opportunity in the African context for redistribution to alleviate poverty. As the following outline of poverty in Namibia will show, however, real redistribution has so far been limited.

There are three main types of definitions of poverty used in studies from Namibia. *Absolute poverty* defines a cut-off point for poverty (based on income, consumption, expenditure or some other proxy) below which people are considered to be poor. The justification is that income is highly correlated with other causes of poverty and is a predictor of future problems of deprivation. *Relative poverty* describes an individual's or group's level of wealth in relation to other individual or groups in society. Relative poverty is closely related to levels of inequality, and hence highly relevant in the case of Namibia. Finally, definitions based on *social indicators* include non-income determinants of welfare, such as domestic production, potable water, adequate housing and basic social services including health care, sanitation, primary education and public services.³

The most comprehensive study on poverty in Namibia is Devereux et al. 1996 (*Namibia Poverty Profile. A Report for Sida*. Windhoek: SSD/University of Namibia). The study is based on secondary sources and includes discussions of i) conceptual issues, ii) the incidence of poverty in Namibia, iii) origins and causes of poverty in Namibia, and iii) anti-poverty measures in Namibia since independence. In addition to the definitions outlined above, it also relates to the issue of vulnerability, arguing that although poverty is typically discussed in terms of static levels of living, variability of income is as serious for the poor as a low level of income.

The most comprehensive source of primary data is *The National Household and Expenditure Survey* (CSO 1996) which builds on the 1991 Census (CSO 1994). Households are classified into three groups according to their level of economic resources, which is estimated from weighted data on reported total household consumption giving a Standardized Consumption Level (SCL) of

³ Composite poverty indices combine several weighted indicators, such as per capita GDP, life expectancy at birth, and literacy rates (Human Development Index), public spending on social services, immunization and fertility rates (Social Indicators of Development Index) and life expectancy at one year, adult literacy and infant mortality (Physical Quality of Life Index).

N\$ 7,200. According to the Survey, 53 percent or 129,758 of all Namibian households are classified as poor by having a CSL of less than that amount.

The CSO study also measures poverty according to “food consumption ratio” or food consumption as proportion of total household consumption. According to this definition, a household that spends 60-79 percent of its total consumption on food is “poor”, and a household that spends 80-100 percent of its total consumption on food is “very poor”. As seen from Table 1, 10 percent of the households in Namibia are classified as very poor, 30 percent as poor and 60 percent as not poor on the basis of this definition.⁴

Table 1. Poverty by food consumption ratio (Percentages, 1995)

Food consumption to total consumption	Classification	Proportion of households
0 – 59	Not poor	60
60 – 79	Poor	30
80 – 100	Very poor	10

Source: Devereux et al. 1996

Regarding relative poverty and income distribution, available data show that Namibia is one of the most unequal societies in the world (CSO 1996; UNDP 1998). This is illustrated by a Genie Coefficient of 0.70, measuring the inequality of income distribution among the Namibian population. The richest 10 percent of the society receive 65 percent of income, and the remaining 90 percent share among themselves only 35 percent of the national income. Put in other words, half of Namibia’s population survives on approximately 10 percent of the average income, while approximately 5 percent enjoys incomes that are five times the average.

The extreme income inequalities imply considerable differences in human development as measured by UNDP’s Human Development Index (combining income with life expectancy at birth and level of education). Table 2 shows the Namibian HDI for the last four years, together with Namibia’s global ranking by income and by development. Whereas Namibia is defined as a middle-income country in terms of GDP per capita, there is a considerable discrepancy between average income and HDI index.⁵ Key human development indicators for Namibia are given in Table 3.

⁵ The improvement in HDI ranking in 1998 is solely attributable to updating on information of literacy (adjusted from 40% to 76%). There is no improvement in average income, and estimated life expectancy at birth has been reduced from 58.8 years in 1995 to 55.8 years in 1998 due to the prevalence of HIV/AIDS (UNDP 1998).

Table 2. Comparison of GDP and HDI for Namibia (1995-1998)

Ranking	1995	1996	1997	1998
Global HDI	0.611	0.573	0.570	0.644
GDP per capita ranking	77	79	83	85
HDI ranking	108	116	118	107
GDP rank minus HDI rank	-31	-37	-35	-22

Source: UNDP 1998.

Table 3. Human Development Indicators, Namibia (1998)

Indicator	Value
Life expectancy at birth (years)	61.0
Adult literacy (%)	81
School enrolment (%)	85
Income (N\$)	3.608

Source: UNDP 1998.

UNDP has also developed a Human Poverty Index (HPI) for Namibia (UNDP 1998). The HPI is a measure of deprivation, excluding income and combining dimensions of :

- Longevity (the proportion of the population which is expected to die before reaching the age of 40 years);
- Knowledge (the proportion of the population above 15 years of age unable to read or write in any language);
- Standard of living (percentage of population without access to safe water and health services, and the percentage of malnourished children);
- Proportion of households which uses more than 80 percent of their income on food (i.e. the definition used in the 1991 Census).

The HPI should be interpreted intuitively as the proportion of the population suffering from poverty and deprivation.

Figures on average income and poverty in Namibia show significant differences between regions, urban and rural areas, gender and language groups, which imply a clustering of poverty in the country. There is a strong correlation between average income and the poverty as measured by the HPI, even though there are exceptions. Tables 4-7 below sum up these differences.

The figures reveal a strong geographical concentration of low income and poverty in the northern regions (Ohangwena, Okavango, Omusati, Oshikoto, Caprivi, Oshana), with the central regions (Omaheke, Kunene, Erongo, Khomas and Otjozondjupa) and the southern regions (Hardap and Karas) generally being better off both in terms of average income and poverty.

Table 4. *Average Income and Poverty by Region (1998)*

Region	Income (N\$)	HPI (%)	Region	Income (N\$)	HPI (%)
Ohangwena	1.070	31,8	Oshana	1.922	22,0
Omaheke	3.944	30,5	Otjozondjupa	3.659	21,0
Okavango	1.763	27,2	Hardap	5.945	19,1
Omusati	1.452	26,6	Karas	6.655	16,0
Kunene	2.203	24,8	Erongo	5.423	11,2
Oshikoto	1.6 80	24,9	Khomas	11.359	9,6
Caprivi	1.598	25,0			

Source: UNDP 1998

Table 5. *Average income and poverty by language-group*

Language-group	Income (N\$)	HPI (%)	Region	Income (N\$)	HPI (%)
Afrikaans	13.995	9,3	Oshiwambo	1.707	29,4
Caprivi/Lozi	1.692	23,1	Otjiherero	3.077	24,6
English	21.708	7,0	Rukavango	1.652	31,4
German	30.459	9,2	San	1.315	58,1
Nama/Damara	2.404	23,7	Tswana	5.326	17,2

Source: UNDP 1998

The same clustering is evident when focusing on ethno-linguistic groups. Groups from the north (Caprivi/Lozi, Rukavango and Oshiwambo) generally have lower average income and are poorer than groups from the central and southern parts of the country. Having said this, the San stand out as having by far the highest incidence of poverty and the lowest average income. At the other end of the scale all three groups of European descent (Afrikaans, English and German) have high average income and low incidents of poverty, but there are also differences between them particularly in terms of average income.

Another distinction in income and poverty is that between rural and urban areas. As shown in Table 6, average income is considerably higher, and the incidence of poverty lower, in urban than in rural areas. As seen from Table 7, differences in income and consumption between rural and urban areas were also captured in the National Census (CSO 1994). The differences in both income and consumption revealed by the data is a preliminary indication of the complexity of urban poverty. Moreover, urban areas reveal considerably higher income and consumption differentials than rural areas.

Table 6. Average Income and Poverty by Urban and Rural Areas

Rural/urban	Average income (N\$)	Human Poverty Index (%) ⁶
Rural	1.875	24.7
Urban	7.651	16.7

Source: UNDP 1998

Table 7: Income and Consumption in Rural and Urban Areas (N\$).

Income and consumption	Rural	Urban
Average household income	9.450	32.300
Average per capita income	1.550	6.650
Average household consumption	7.600	23.000
Average per capita consumption	1.250	4.700

Source: Tvedten and Pomuti 1998

A number of studies also reveal that there are differences in income and incidence of poverty between social categories based on gender and age. Women and female headed households generally have lower income and are poorer than male-headed households (GON 1993; Girvan 1994; Næraa and Solomon 1994). As shown in Table 8, figures from UNDP show that the average income for women is less than half of the income for men, and women have a higher incidence of poverty. Also here, of course, aggregated data at this level conceal differences in income and consumption within each category.

Table 8. Average income and poverty by gender

Female/male	Average income (N\$)	Human Poverty Index (%)
Female	2.188	25.4
Male	4.454	22.6

Source: UNDP 1998

Studies also show that the young and the elderly are particularly susceptible to poverty (CSO 1996; Devereux, Fuller et al. 1996): The former are vulnerable because of the problems related to health and education in poor families, and the latter because of the considerable pressure from other family members on the resources they possess (including land, cattle and pensions).

⁶ The poverty index on rural-urban areas is incomplete due to insufficient data on underweight children. However, according to UNDP (1998:21) "a complete HDI is likely to portray an even more dramatic rural/urban divide".

There is little doubt that quantitative definitions of poverty like the ones referred to above are useful to policy-makers. They provide a uniform scale against which comparisons can be made of the incidence of poverty in different sub-sections of the population, or of the same population over time. Comparative data are essential in order to target resources to the poorest groups, and measure the implications of anti-poverty interventions on different social categories.

Having said this, the current study attempts to go beyond the quantitative measures of poverty and vulnerability by focussing on survival strategies of the poor themselves through a focus on relations and networks that poor people relate to in their daily lives and mobilize in times of crises.⁷ We will argue that these factors determine individual and household well-being as strongly as levels of income and ownership of tangible assets, and hence that a combination of qualitative and quantitative data is necessary in order to get a realistic picture of poverty in Namibia.

As emphasized in the introduction to this report, however, although horizontal transfers play an important role in spreading risks and reducing vulnerability transfers between poor households almost by definition draw on a smaller pool of "surplus" income than vertical transfers. Therefore, any serious attempt to reduce poverty in Namibia requires an active public policy commitment to redistribute not only income and consumption goods (such as pensions and food aid), but also productive assets (such as land, agricultural inputs, and skills) from Namibia's wealthy elite to its poor majority.

⁷ A focus on survival strategies, relations and networks has a long tradition in social anthropology, but has recently been "reinvented" through the concept of "social capital" currently advocated by the World Bank (Portes 1998).

3. Urban Relations of Poverty

3.1 Urban Poverty

We indicated above that one of the main problems with poverty data based on income, consumption or other quantitative measures is to capture the differences between rural and urban areas. This is becoming increasingly important as the developing world is becoming rapidly urbanized. On the African continent, Southern Africa stands out as the most urbanized sub-region with urbanization rates ranging from 50.8 percent in South Africa to 24.4 per cent in Tanzania. 66.4 percent of the population in Southern Africa are expected to live in urban areas by year 2010 (Tannerfeldt 1995; UN 1998).

An estimated 50 percent of the poorest sections of the population in Southern Africa will live in sprawling urban shantytowns⁸ within the same period of time until 2010 (Wratten 1995; UNCHS/HABITAT 1996). Having said this, statistics on income and consumption still show that there generally is a higher incidence of poverty in rural than in urban areas. There are, however, a number of problems related to comparing standard measurements of rural and urban poverty respectively.

Very often a single income level or "poverty line" is set for both rural and urban households. This assumes that the costs for basic necessities are the same for the two types of areas, which is normally not the case. A number of essential commodities (such as housing, food, transportation, health-services and education) are more expensive in cities and towns than in rural villages. In most urban areas there are also fewer opportunities for reducing costs through subsistence production (e.g. growing food) or through access to free resources (such as wood for building and fuel).

Where poverty lines are based on a "minimum consumption basket", moreover, the costs of food items usually take up the bulk of the basket. In real life, the urban poor have to spend a considerable proportion of their income on necessary non-food items such as housing, water, fuel, transportation, education and health-services. The costs of these "other items" is of course the very reason why such a high proportion of the urban

⁸ Poor urban neighborhoods in Southern Africa are known under different names with different connotations. A "location" normally implies a poor African township formally established by the South African apartheid regime; a "squatter area" implies a poor and illegally established urban settlement; and a "shantytown" implies a poor urban area with a mixture of illegal and legal settlements. "Slum" is normally not used in the literature due to the word's strong derogatory connotation, but is close to local terms often used for such areas. In this report, "shantytown" and the equivalent "informal settlement area" will be used interchangeably.

population in developing countries live in poor quality, overcrowded and insecure accommodation with inadequate provision of basic services.

Despite the difficulty of measuring urban poverty, there is a growing realization that urban areas reveal special characteristics that make the population in cities and towns particularly vulnerable. The renewed interest in urban poverty was first prompted by the wave of structural adjustment programs in the 1980s. The programs were intended to remove some of the "urban bias" (Lipton 1980) by removing anti-agricultural price-distortions, with the result that the urban poor suffered from price increases, contraction of industrial and public sector employment and reductions in public expenditure. More recently, the UN Conference on Human Settlements (Habitat II) in 1996 drew further attention to urbanization and urban poverty (UNCHS/HABITAT 1996).

The most important determinant of urban poverty (as opposed to rural poverty) is the *labor market*. People with formal stable jobs, even if salaries are low, are much less likely to be poor than the unemployed or people with unstable casual jobs. Earnings in the urban informal sector have generally become increasingly low and irregular, as an increasing number of the urban poor have come to rely on this option.

Urban areas are also characterized by a *greater degree of commercialization* than rural areas. Urban households require money in order to pay for housing, pay rent and buy basic necessities such as food, water and fuel. A number of interpersonal social services, such as domestic work and child care, are also increasingly commercialized. People without savings or salable capital assets are extremely vulnerable to changes in the demand for labor and the prices for basic goods.

Social diversity and fragmentation is typically also seen as a special aspect of urban poverty. Urban areas attract people with different ethnic, cultural and linguistic origins. Social diversity is likely to create new tensions and survival strategies. Lifestyles, kinship and neighborhood support networks are seen as different from those in rural areas, and crime and social insecurity is another aspect of urban poverty that is given increasing attention.

Finally the urban poor are particularly susceptible to health risks, resulting from the closeness of industrial and residential functions, competition for land, high population densities and overcrowded housing, and the inadequate pace at which clean water supply, sanitation and solid waste services are expanded. In addition, though health services often are easier accessible in urban than in rural areas they are also often more expensive.

It should be underlined that the issue at hand is not whether poverty is more serious in urban than in rural areas. Many argue against making such a distinction at all and for treating the urban-rural divide as a continuum rather

than a rigid dichotomy (de Haan 1997)⁹. Given the considerable income differentials in urban areas one may argue that it is more relevant to talk about a “trichotomy” with shanty-areas and small semi-urbanized communities constituting an intermediate category between the rural and the urban. In any case, however, it is necessary for policies as well as for theories to gain more insight into the determinants of urban poverty.

3.2 Social Relations of Poverty

With the growing awareness of the different conditions under which the rural and urban poor live, increasing attention has been given to the importance of alternative ways to measure and understand poverty. Two concepts have become particularly important.

The concept of *vulnerability* is not synonymous with poverty, but means defenselessness, insecurity and exposure to risk, shocks and stress (Chambers 1989). It is linked to tangible assets such as wages, savings, housing and domestic equipment, but also to intangible assets such as claims on other households, patrons, the government and the international community for resources. The related concept of *entitlement* refers to the complex ways in which individuals or households command resources (Baulch 1996). These vary between people and over time, in response to shocks and long-term trends. They may include wage labor, sale of assets, own production and public provision of goods and services.

Less attention has been given to the importance of *social relations and networks* between the poor, and between the poor and the less poor, more specifically. The role of social relations and networks have been a central issue in social anthropology for years (Mitchell 1969), but has only recently been given more widespread attention through the notion of “social capital” advocated by the World Bank.

Social capital is defined as “the ability of actors to secure benefits by virtue of membership in social networks or other social structures” (Portes 1998). Studies show that people are involved in relations and networks that are important not only for their daily survival strategies, but also for their access to employment, housing and social services, and their ability to mobilize support in times of crisis. The nature of relations and networks tend to differ with income, gender, age and other social variables (Moser 1996; Macharia 1997).

⁹ First, it is argued, concentrating on whether urban poverty is more extensive than rural poverty diverts attention away from structural determinants which affect the life-chances of the poor in both areas. These include distribution of land, constraints to opportunity based on class, gender, race and age, government social and macro-oriented policies and external relationships which shape exchange rates, terms of trade etc. And secondly, there are linkages between the functions of urban and rural areas which implies that poverty in one area cannot be treated in isolation from the other. Interdependence between towns and countryside exists in areas such as rural-urban migration, casual labor, markets for food, industrial goods and services, water supply and demand, and flows of remittances.

Networks are often given structure through the creation of voluntary associations. Such associations is the main focus of the World Bank's notion of "social capital" .¹⁰ Many of them are formed in direct response to the State's inability to provide a modicum of social and public services, and to alleviate poverty (Tostensen, Tvedten and Vaa forthcoming 1999).

Analyses of relations and networks often draw distinctions between commodity exchange (impersonalized exchange between independent individuals); rational models of reciprocity (emphasizing material motivations for exchange); and cultural principles for social interaction that create enduring bonds between mutually dependent persons often influenced by Mauss' notion of gift practices in archaic societies (Mauss 1967).

Generally the expansion of the market economy and urbanization have been seen as a threat to the reproduction of value systems based on solidarity and what has been called a "moral economy" (Scott 1976). Instead, it is argued, urban relations are based on individual strategies and self-interested agents acting to maximize their returns. In the process, reciprocal relations tend to give way to asymmetrical (patron-client) relations based on variations in access to economic resources. One implication of this is seen to be that people differ in their ability to forward claims towards other households, patrons, informal associations, the government and other institutions. Tangible and intangible assets are created by households during periods of economic surplus, and the ability to activate community support is thus related to the capacity to generate such a surplus.

Urban-rural links represent special types of social relation and networks. Existing evidence suggests that relations between rural and urban dwellers involve exchange of food and material assets, as well as services ranging from identification of job opportunities to child care. The extent and material content of such relations in Namibia have been relatively well documented (Pendleton and Frayne 1998; Tvedten and Pomuti 1998), but less is known about the extent to which they involve the poorest sections of rural and urban populations.

3.3 Marginalization and Social Exclusion

Until recently towns and cities have largely been seen as expressions of global political and economic processes of modernization, with less focus on the effects these processes have had for the marginalization of urban groups (UNDP 1991; WB 1991). Large urban population groups are, as we have argued, susceptible to poverty and deprivation through changes in income and expenditure patterns, changes in social organization and traditional support networks, and health hazards through congested settlements, sub-standard

¹⁰ If one takes abroad view of "other social structures", then social capital is a relevant concept also at the macro level. There is, according the World Bank, overwhelming evidence that such macro-level social capital has a measurable impact on national economic performance (World Bank 1999).

housing, high crime rates and inadequate infrastructure and services (de Haan 1997).

Recent advances in the analysis of poverty have implied options for bridging the gap between macro-orientated quantitative analyses and micro-orientated analyses of qualitative processes in the study of urban poverty and marginalization (de Haan and Maxwell 1998). The concept of 'social exclusion' is currently high on the agenda, and has been defined as "the process through which individuals or groups are wholly or partially excluded from full participation in the society in which they live" (de Haan and Maxwell 1998). Social exclusion takes the form of income markedly lower than average in the society at large, failure or inability to participate in social or political activities, or otherwise a life in the margins.

The concepts of "marginalization" and "social exclusion" have other implications than the alternative concepts of "exploitation" and "unequal development". Being largely de-linked from political and economic processes in society means that general economic development will not affect the relevant social groups, neither directly nor indirectly through "trickling down" effects as argued by liberal economists. Re-integration and socio-economic development among marginalized groups must either come from direct targeted interventions, or from initiatives by the socially excluded groups themselves through development of their social capital.

The issue of marginalization and social exclusion raises another central issue in social anthropology, viz. the notion of a "culture of poverty" contributing to the maintenance of a poor section of urban populations. The notion of culture in anthropology has moved away from a premise of cultural sharing, to a distributive model where culture as systems of interests, values, beliefs and knowledge is seen as differently read and construed by different individuals and social groups (Brumann 1999). The focus is on the work done by people in the cultural construction of their realities, and on the connections and interdependencies that generate a degree of order and shape (Keesing 1990; Barth 1994). People in urban shantytowns will, in other words, experience and relate to slum life through different perspectives and in different ways from where they are in the social structure (Hannerz 1992).

The critique against the concept of a "culture of poverty" has been based on the argument that it implied that poverty was somehow the poors' own fault, with the counter-argument that poverty is generated and reproduced by political and economic factors outside the control of the poor themselves (Melhuus 1997). However, as Hannerz (1992:76) argues, "a much more realistic view, in light of evidence, would have been to regard a culture of poverty as resting [] on the level where collective understandings are tied to a general type of context. Shared poverty generates cultures of poverty, rather than vice versa" (Bourgois 1995).¹¹

¹¹ A thorough analysis of the relation between socio-economic conditions and cultural perceptions for the survival strategies pursued by the poorest sections of urban

