# THE MEASUREMENT AND NATURE OF POVERTY AND INEQUALITY

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**Draft Chapter Prepared for the Poverty and Inequality Report (PIR)**

**August 1997**

# 1. INTRODUCTION

Despite the relative wealth of South Africa in terms of the country's per capita Gross Domestic Product, the experience of the majority of South African households is either one of outright poverty, or of continued vulnerability to becoming poor. Although, in common with many countries, this inability to satisfy essential needs stems from many sources, the specificity of poverty in South Africa has been the impact of apartheid. One aspect of this system was a process of active dispossession whereby assets, such as land and livestock, were stripped from the black majority, while simultaneously, opportunities to develop these assets, such as markets, infrastructure and education, were denied them. As such, apartheid, and the legislation which through which this ideology was implemented, operated to both produce poverty and to compress social and economic class.

An adjunct of apartheid has been the absence of credible and comprehensive social indicator data which could assist in policy formulation. The new government faces the problem that the previous regime had little interest in collecting information of this nature. As on example, between 1976 and 1994, official statistics excluded the TBVC states on the ground that these were 'independent states', thus automatically excluding a large proportion of the poor from official statistics.

As a starting point to address this, the *Project for Statistics on Living Standards and Development* (PSLSD) was undertaken in 1993 with the objective of providing a quantitative base-line survey. Also in 1993, the CSS ran the first *October Household Survey* and has continued to do so annually. The survey collects a variety of household information, such as housing types and access to services, as well as person-level data about, for example, education, health and work status. In 1995, a detailed Income and Expenditure Survey was conducted in conjunction with the October Household Survey, making this an extremely rich data-set.

In 1995, a complementary qualitative research project was undertaken. The purpose of this study, referred to as the South African Participatory Poverty Assessment (SA-PPA) was to provide a fuller and more integrated understanding of poverty from the perspective of those who are poor and to fill the gaps which the quantitative study could not readily explain. In particular, the multi-dimensional experience of being poor, and the perceptions of "the poor" towards the causes and relief of their poverty could not be assessed.

This section of the report examines the nature and extent of poverty and inequality. The objective is to provide the context within which detailed analysis of the current policy framework of the reduction of poverty can be assessed. The quantitative analysis in this chapter makes use of both the *1995 October Household Survey* and the *Project for Statistics on Living Standards and Development* (PSLSD) survey where appropriate.

The population figures are based upon the results of the 1991 Population Census, although the recently released preliminary results of the 1996 Census suggests that earlier Census data, and subsequent projections, have tended to over-estimate the size of the South African population. More importantly for this study, it seems possible that the number of *poor* people has been overestimated, since the size of the rural

population and of the poorer provinces (e.g. Northern Province) are smaller than expected.

## 1.1 What is Poverty?

> *'One man's family has worked for a farmer for three generations, hard physical labour every day. The man has worked since his birth for the same farmer but has nothing, no savings, not even a bicycle. These people can afford nothing.' (May et al, 1996)*
>
> *'My child broke his leg and had to go to hospital. I sold my three cows to pay for transport and treatment. Now I have nothing.' ' (May et al, 1996)*

Poverty is generally characterised by the inability of individuals, households, or entire communities, to command sufficient resources to satisfy their basic needs. Despite the obviously large numbers of people living in such circumstances in South Africa, the definition of poverty has been the subject of some debate amongst policy analysts. The differing characteristics of poverty reflect the assumptions that underlie the alternative ways in which poverty is conceptualised. The most important examples are:

- The inability to attain a minimum standard of living (World Bank, 1990). This approach suggests that a quantifiable and absolute indicator of poverty can be set and measured;
- The lack of resources with which to attain the type of diet or life-style that is socially acceptable (Townsend, 1979). This approach places emphasis on a relative indicator which would vary according to the standards of the society being measured;
- Constrained choices and unfulfilled capabilities (UNDP, 1996). This recent approach tries to draw out the multi-dimensional nature of poverty and the implied link between economic growth and human well being.

One way in which an appropriate conceptualisation of poverty in South Africa can be derived is through the perceptions of the poor themselves. As the quotations at the start of this section illustrate, poverty is multi-faceted. Poverty is linked with hunger, unemployment, exploitation, lack of access to clean water, sanitation, health-care and schools, vulnerability to crisis and the risk of homelessness.

As the quotations show, everyone's experience of poverty is a little different. However, the recent South African Participatory Poverty Assessment (SA-PPA) suggests that a surprisingly consistent view of poverty emerges from the views of the poor. Poverty was perceived to be when individuals and households were:

- **Alienation from the community**. The poor are isolated from the institutions of kinship and community. The elderly without care from younger family members are seen as 'poor', even if they have a state pension which provides an income which is relatively high by local standards. Similarly, young single mothers without the support of older kin or the fathers of their children were perceived to be 'poor'.
- **Food insecurity**. Participants saw the inability to provide sufficient or good quality food for the family as an outcome of poverty. Households where children went hungry or were malnourished were seen as living in poverty.

- **Crowded homes**. The poor were perceived to live in overcrowded conditions and in homes in need of maintenance. Having too many children was seen as a cause of poverty - not only by parents, but by grandparents and other family members who had to assume responsibility for the care of children.
- **Usage of basic forms of energy**. The poor lack access to safe and efficient sources of energy. In rural communities, the poor, particularly women, walk long distances to gather firewood. The time required for this constrains their ability to engage in more productive activities. In addition, women reported that wood collection increases their vulnerability to physical attack and sexual assault.
- **Lack of adequately paid, secure jobs**. The poor perceived lack of employment opportunities, low wages and lack of job security as major contributing factors to their poverty.
- **Fragmentation of the family**. Many poor households are characterised by absent fathers or children living apart from their parents. Households may be split over a number of sites as a survival strategy.

In contrast, wealth was perceived to be characterised by good housing, the use of gas or electricity and ownership of a major household durable, such as a television or fridge. What is striking here is the modest perception of what it means to be wealthy. The poor do not perceive 'wealth' as owning a luxury motor vehicle and living in a wealthy neighbourhood. Wealth means knowing that there is enough food for your children and owning an electric stove on which to cook it.

Income was cited as a factor in local definitions of poverty, but was not always mentioned directly. Rather, low wages for the kind of work that is performed, lack of security in the employment/income situation, and the lack of income-earning opportunities are more frequently cited as characterising the experience of poverty. The common feature in the definition of the poor thus relates to particular 'life situations' which are not necessarily related to characteristics such as gender or age.

From the perspective of policy development and the views of the poor, a definition of poverty based on the concept of "capability failure" would seem to be appropriate for the PIR. Although difficult to measure, this approach should lead to policies which are more dynamic and which reach the causes of poverty rather than treat its symptoms.

## 1.2 What is 'inequality'?

Defining what we mean by 'inequality' within the social context requires consensus on what we mean by *'equality'*. The term 'equality' can be regarded as referring to a state of social organisation that enables/gives equal access to resources and opportunities to all its members. Consequently, implicit in identifying 'inequality' as a problem is the idea that societies should be striving to attain greater equality- but this in itself does not get us very far. Here we make seven suggestions about possible interpretations of inequality and measures that might be taken to achieve greater equality (Cowell, 1977). All of these definitions are relevant to the current policy debate in South Africa:

- *Income shares*: society aims to increase the percentage share of income earned by a relatively disadvantaged group. For example, the objective could be to double the

share of income of the poorest 20 percent of households from the current 4 percent to 8 percent.

- *Lowering the ceiling*: attention is directed towards limiting the share of the cake enjoyed by a relatively advantaged section of the population. For example, the idea of 'super-taxes' on the rich is one way of attempting to lower the ceiling.
- *The social minimum*: here one aims to ensure that no-one falls below some minimum standard of well-being. For example, social security grants should at least ensure everyone has enough money for food and shelter.
- *Mobility*: the focus is to reduce the barriers that prevent people moving (usually 'up') between different groups. The objective is to achieve a more egalitarian society, where social stratification is minimised and divisions between the 'haves' and the 'have-nots' are reduced. This might be done by ensuring equal access to education and employment opportunities.
- *Economic inclusion*: the objective is to reduce the perception of exclusion of a particular group from society caused by differences in incomes. Economic empowerment and affirmative action strategies seek to increase the participation of disadvantaged groups in the economy.
- *Avoidance of income and wealth crystallisation*: this implies eliminating the disproportionate advantages in education, access, influence, political power, etc. that go hand-in-hand with higher income. This link is very difficult to overcome. It may be possible to reduce its impact by taking special measures to facilitate poor people's access to educational opportunities and decision making forums.
- *International yardsticks*: a country takes as its goal that it should be no more unequal than other 'comparable' nations, as measured by some statistic (e.g. the Gini coefficient). This approach does not in itself point to any specific policy measures that might be taken to attain it.

Clearly, the choice of the criterion by which we define 'equality' will impact on the way in which we define and measure inequality. It is not possible in a paper of this length to do justice even to the seven criteria suggested above. For this reason, we will make two simplifications:

- Firstly, we will focus the discussion on *income* inequality. Wealth would be preferable, but there is little reliable and readily accessible wealth data available for South Africa.
- Secondly, we will concentrate on a discussion of *income shares* and *international yardsticks*.

## 1.3 Measuring Poverty and Inequality

Actually measuring these concepts of poverty and inequality can be approached in different ways. At one level, 'objective' social indicators, such as income levels, consumption expenditure, life expectancy and housing standards, can be distinguished from subjective indicators, which are based upon the attitudes, needs and perceptions gathered directly from people, or indeed, with people through the use participatory research methodologies.

At another level, measures of poverty can reflect the constituents of well-being, or alternatively, they can be measures of the access that people have to the determinants of well-being (Dasgupta and Weale, 1992:119). Indices of health, welfare and human rights are examples of the first approach, whereas indices indicating the availability of shelter, health care education facilities and income generally are examples of the second.

This chapter, while trying to touch on all these dimensions of poverty and inequality, is biased towards those dimensions which are easily and objectively measurable. The emphasis is undeniably on 'poverty proper' and we concentrate on a conventional, money metric measure at the expense of focusing on other important aspects. The overriding reasons for doing so are that a money metric measure is practicable, it allows for inter-personal comparisons and it is a fairly good proxy for standard of living.

Since the policy objective is a higher level of human development, we begin by presenting human development indicators which give a broad-brush picture of human development in South Africa. We cover only a sample of indices of well-being, since many aspects of human well-being are hard to quantify or hard to find reliable data for and hence not well suited to aggregation in any kind of index.

Unfortunately, indicators such as UNDP's Human Development Index are not suited to comparisons between individuals or households. For this reason, the sections that follow which require quantification or a numeric measurement rely on a money-metric approach to the measurement of poverty as a means of operationalising poverty comparisons. Money is commonly, but not *always*, the means of indirectly translating inputs into human development. It is the means of purchasing some of the *direct* means to well-being, such as food, clothing and shelter. For this reason, a money metric measure of poverty is useful, but imperfect. Nevertheless, it is practicable and easily replicated over time, which are important concerns for this study.

In addition, we compare the poverty profile that we obtained using a money metric measure of poverty to that obtained by Klasen (1996) using a broader composite indicator of deprivation. This deprivation measure is a composite index of 12 measures of deprivation, including income, health, education, household wealth, access to services, transport, and perceptions of quality of life.

The final section of this chapter looks at the experience of poverty and inequality. The sections examines the life circumstances of the poor and non-poor as well as information provided by those who are categorised as being poor. While comparative perceptions do not exist for wealthy groups, this section reveals the unacceptable consequences of the extreme inequality that characterises South Africa.

# 2. MEASURES OF HUMAN DEVELOPMENT, POVERTY AND INEQUALITY IN SOUTH AFRICA

## 2.1 Measures of human development

### 2.1.1 Human development indicators

An approach that can be used to place South Africa's poverty and social deprivation in an international context is to compare human development indicators in South Africa with countries with similar income levels. Table 1 shows that South Africa fares poorly when compared with other middle-income countries (World Bank, 1996).

**Table 1** ***Comparison of selected middle income countries***

| | **Poland** | **Thailand** | **Venezuela** | **Botswana** | **Brazil** | **South Africa** | **Malaysia** |
|---|---|---|---|---|---|---|---|
| GNP per capita US$ (1994) | 2 410 | 2 410 | 2 760 | 2 800 | 2 970 | 3 040 | 3 480 |
| Life expectancy | 72 | 69 | 71 | 68 | 67 | 64 | 71 |
| Infant mortality rate | 15 | 36 | 32 | 34 | 56 | 50 | 12 |
| Adult illiteracy rate | N/A | 6 | 9 | 30 | 17 | 18 | 17 |
| Total fertility rate | 1.8 | 2.0 | 3.2 | 4.5 | 2.8 | 3.9 | 3.4 |

The table shows the inadequacy of using per capita GNP as the sole indicator of development. All the countries to the left of South Africa in the table have lower per capita GNP than South Africa, yet generally they perform better on indicators such as life expectancy, infant mortality and adult illiteracy.

### 2.1.2 The Human Development Index (HDI)

The shortcomings of income as an indicator of development led the United Nations Development Programme (UNDP) to construct a composite index which they named the Human Development Index (HDI).

In developing the HDI, the UNDP followed the principle that the goal of development should be to enable people to live long, informed and comfortable lives. The HDI was devised to determine how nations compare when these factors are taken into consideration. The index is thus a composite of three factors: longevity (as measured by life expectancy at birth); educational attainment (as measured by a combination of adult literacy and enrolment rates); and standard of living (as measured by real GDP per capita).

The HDI indicates the relative position of a country (or region or group) on an HDI scale between 0 and 1. Countries with an HDI below 0,5 are considered to have a low level of human development, those with an HDI between 0,5 and 0,8 a medium level and those of 0,8 and above a high level of human development.

Table 2 shows the HDI for South Africa and it's nine provinces and four population groups in relation to selected countries. The provincial and population group scores for the individual components of the HDI are shown in Appendix A.

**Table 2** ***Values and rankings of HDI for South Africa***

| Selected countries (1992) | HDI Rank | HDI | Province (1991) | Race (1991) |
|---|---|---|---|---|
| **High human development** | | 0.886* | | |
| Canada | 1 | 0.932 | | |
| | | 0.901 | | Whites |
| Israel | 19 | 0.900 | | |
| Singapore | 43 | 0.836 | | Indians |
| | | 0.826 | Western Cape | |
| Ukraine | 45 | 0.823 | | |
| Venezuela | 46 | 0.820 | | |
| | | 0.818 | Gauteng | |
| Poland | 49 | 0.815 | | |
| Mexico | 52 | 0.804 | | |
| **Medium human development** | | 0.649* | | |
| Libya | 79 | 0.703 | | |
| | | 0.698 | Northern Cape | |
| | | 0.694 | Mpumalanga | |
| Paraguay | 84 | 0.679 | | |
| South Africa | 86 | 0.677 | | |
| Iran | 87 | 0.672 | | |
| Sri Lanka | 91 | 0.665 | | |
| | | 0.663 | | Coloureds |
| | | 0.657 | Free State | |
| China | 94 | 0.644 | | |
| | | 0.602 | KwaZulu-Natal | |
| Lebanon | 103 | 0.600 | | |
| Egypt | 110 | 0.551 | | |
| | | 0.543 | North-West | |
| Swaziland | 117 | 0.513 | | |
| | | 0.507 | Eastern Cape | |
| | | 0.500 | | Africans |
| **Low human development** | | 0,355* | | |
| Lesotho | 120 | 0.476 | | |
| Zimbabwe | 121 | 0.474 | | |
| | | 0.470 | Northern | |
| Namibia | 127 | 0.425 | Province | |
| Mozambique | 159 | 0.252 | | |
| Guinea | 173 | 0.191 | | |

* The average of the HDIs of those countries falling in that particular category.
Source: CSS Statistical Release P0015, 8 May 1995.

Table 2 shows that, at the time of the above analysis, South Africa ranked 86th amongst countries for which the HDI had been measured. South Africa is considered

to have a medium level of human development, similar to that of Paraguay, Iran or Sri Lanka. But there are great disparities in the level of human development in different parts of the country. The Western Cape and Gauteng are considered to show a high level of human development, similar to that of Venezuela or the Ukraine. The Northern Province, on the other hand, has a low HDI, comparable with that of Zimbabwe or Namibia.

In addition to the spatial differences, there are large racial disparities in human development in South Africa. As can be seen from Table 2, White South Africans have a level of human development similar to that of Israel or New Zealand, while Africans score lower on the HDI than countries such as Vietnam, Swaziland or the Maldives.

The HDI can also be used to show gender disparities by calculating the HDI separately for men and women. Despite the fact that women have a longer life expectancy, the HDI for South African women was calculated on 1991 data to be about 20% lower than that for men. This was partly as result of slightly lower levels of education, but largely due to significantly lower real incomes.

The HDI is a useful way of comparing large homogeneous groups. It is intended to highlight the disparities which exist between countries, geographical areas or groups - it *cannot* be used to compare individual households. Variables such as life expectancy and enrolment rates can be calculated for countries or regions, but there is no means of accurately estimating the life expectancy of an *individual* (except by regarding that individual as a member of a *group*). If we are to make comparisons between households or individuals, then we need to use a variable which is readily measurable and available.

### 2.1.3 The capability poverty measure

The capability poverty measure (CPM) is a simple index composed of three indicators that reflect the percentage of the population with capability shortfalls in three basic dimensions of human development. The three dimensions are: living a healthy, well-nourished life, having the capability of safe and healthy reproduction and being literate and knowledgeable. The CPM differs from the HDI in that it focuses on people's lack of capabilities, rather than on the average level of capabilities in a country (UNDP, 1996: 109). In addition, the HDI includes income, whereas the CPM does not. The calculation of the CPM is explained in Appendix A.

As can be seen from Table 3, South Africa's average level of income somewhat masks the widespread existence of capability poverty. When South Africa is ranked on the CPM, it ranks 6 places lower than when ranked on per capita income.

### 2.1.4 Gender-related development index

The HDI can also be used to show gender disparities by calculating the HDI separately for men and women. Despite the fact that women have a longer life expectancy, the HDI for South African women was calculated on 1991 data to be about 20% lower than that for men. This was partly as result of slightly lower levels of education, but largely due to significantly lower real incomes.

The gender-related development index (GDI) attempts to capture achievements through the same set of basic capabilities included in the HDI - life expectancy,

educational attainment and income - but adjusts for gender inequality (UNDP, 1996: 32). A value of one reflects a maximum achievement in basic capabilities with perfect gender equality. South Africa scores 0.622 on the GDI (see Table 3). Among the countries for which the GDI has been calculated, South Africa ranks 78th on the HDI and 74th on the GDI.

**Table 3** ***Comparison of selected middle income countries***

| | **Poland** | **Thailand** | **Vene-zuela** | **Bot-swana** | **Brazil** | **South Africa** | **Malaysia** |
|---|---|---|---|---|---|---|---|
| GNP per capita US$ (1994) | 2 410 | 2 410 | 2 760 | 2 800 | 2 970 | 3 040 | 3 480 |
| Human Development Index | 0.819 | 0.832 | 0.859 | 0.741 | 0.796 | 0.649 | 0.826 |
| Gender-related development index (GDI) | 0.802 | 0.811 | 0.784 | 0.723 | 0.739 | 0.622 | 0.772 |
| HDI rank - GDI rank[1] | 13 | 13 | -2 | 6 | 3 | 4 | 4 |
| Capability poverty measure (CPM) | N/A | 21.1 | 15.2 | 30.4 | 10.0 | 30.4 | 20.6 |
| Real GDP per capita rank - CPM rank | | -14 | -10 | -21 | 9 | -6 | -17 |

## 2.2 Subjective Measurement of Poverty

To start this analysis, it is useful to examine the insights of those who are poor when thinking about their own situation. Several of the participating communities in the recent SA-PPA gave their views on what constituted poverty. As an example, members of the community of Nhlangwini in the province of KwaZulu-Natal carried out a wealth ranking exercise, indicating on a social map the relative proportions of households belonging to different wealth strata, in as well as some criteria for placing households in the different groups. As reported in Murphy (1995), the community members found that:

- Of the 76 houses drawn on the map 50% (38) were classified in the poor category. Criteria included: no-one working for cash, doing cheap labour, the household head living alone (especially women with no husbands), ill health, mental illness, pensioner, no parents and farmworkers.
- 30% (21) were place in the average category. These were households where members were waged workers (e.g. teacher, policeman, nurse, work in Durban) or got an income from farming, owning a spaza shop or a taxi. In many cases there was more than one member having a regular job.
- 20% (17) were classified as rich. Some of these households ran more than one business (e.g. shops, taxis, tractors, traditional healer) while others had a number of members in salaried work.

[1] . A positive figure indicates that the GDI (GEM) rank is better than the HDI rank, a negative the opposite. Source: World Bank, (1996), UNDP, (1996)

The similarity between the subjective responses of the poor, and results of objective measurement exercises using indicators such as income and caloric intake is striking and certainly provides a convincing case that about half the population of South Africa can be considered to be poor as has been found by previous quantitative research (RDP, 1995). What is revealing about perceptions of the poor is that poverty is expressed in terms of the shared characteristics of different groups in communities, principally the way in which these groups go about generating an income. This view forms the basis of understanding poverty and inequality in South Africa that is used by the Poverty and Inequality Report.

## 2.3 The Measurement Of Income Inequality In South Africa

### 2.3.1 The Gini Coefficient

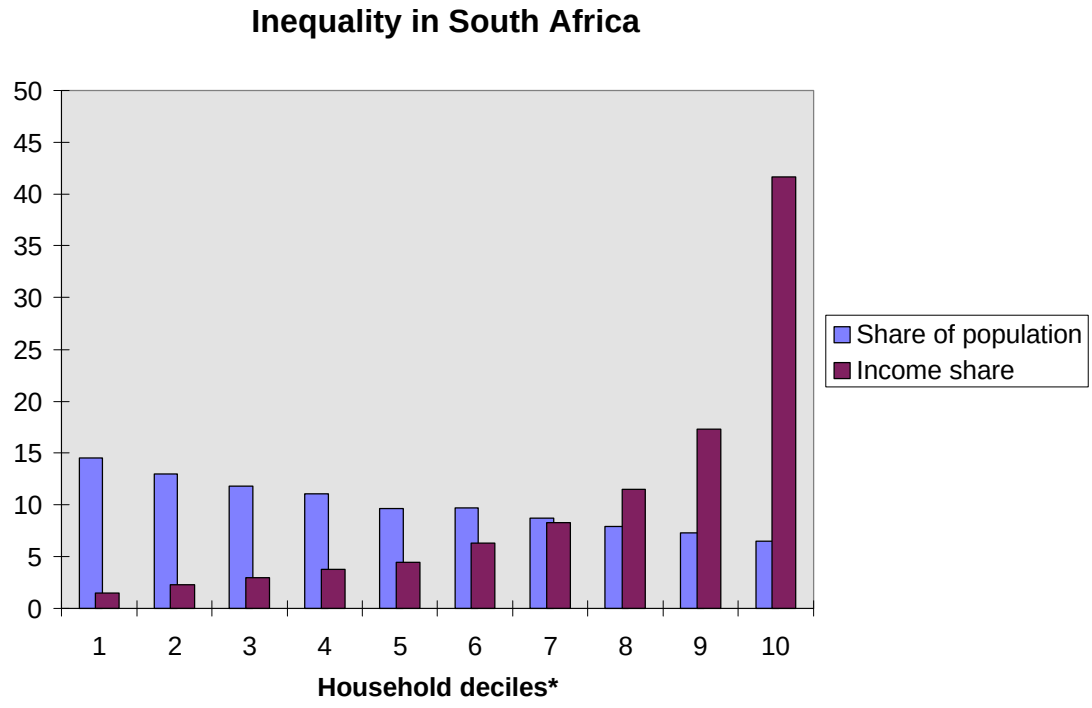
The Gini-coefficient, which measures the degree of inequality[2]. has always served as the starkest indicator of South Africa's unequal distribution of income. For a long time, South Africa's Gini was the highest measured in the world. Today, the *1996 World Development Report* lists only Brazil's Gini as higher.. The Gini coefficient in South Africa is about 0.58. This is extremely high, indicating a very skew distribution of income.

Whiteford and McGrath (1995) have shown that, while the Gini coefficient remained static between 1975 and 1991, this disguises the fact that the rich got richer and the poor got poorer. They found a similar pattern when taking each race group separately. In other words, they observed a widening of the gap between the richest Africans and the poorest Africans, the richest Whites and the poorest Whites, etc. For example, the income share accruing to the poorest 40% of African earners fell by a disquieting 48%, while the share accruing to the richest 10% rose by 43%.[3]

### 2.3.2 Income shares

Another way to express the degree of inequality in a country is to examine the income shares of deciles of households. Using this measure, the degree of inequality is striking. The poorest 40% of households, equivalent to 50% of the population, account for only 11% of total income, while the richest 10% of households, equivalent to only 7% of the population, accrue over 40% of total income.

[2] with a Gini coefficient of 0 signifying absolute equality and 1 indicating absolute concentration.
[3] This finding has, however, recently been disputed by Simkins in his document ???, Centre for Development and Enterprise (1996).




* Households are ranked by adult equivalent income. See section 3.1 for an explanation.

Source: Calculated from the 1995 Income and Expenditure Survey, CSS.

**Figure 1 Inequality in South Africa**

### 2.3.3 International Comparisons of Inequality

Table 4 presents a comparison of South Africa's Gini coefficient and income shares to countries with similar income levels. It is clear that Brazil and South Africa are far less egalitarian societies than the other nations presented here.

**Table 4 *Comparison of selected middle income countries*[4]**

| | Poland | Thailand | Venezuela | Brazil | South Africa | Malaysia |
|---|---|---|---|---|---|---|
| GNP per capita US$ (1994) | 2 410 | 2 410 | 2 760 | 2 970 | 3 040 | 3 480 |
| Gini | 0.27 | 0.46 | 0.54 | 0.63 | 0.58 | 0.48 |
| % share of income of poorest 20% | 9.3 | 5.6 | 3.6 | 2.1 | 3.8 | 4.6 |
| % share of income of richest 10% | 22.1 | 37.1 | 42.7 | 51.3 | 41.9 | 37.9 |

### 2.3.4 Between-group inequality

#### *2.3.4.1 Between-race inequality*

[4] . Because of variability in the date of data collection and differing methodologies, these figures should be taken as indicative only . Source: World Bank (1996) and own calculations (South Africa).

A disaggregated analysis of inequality shows that between-race inequality is, as expected, considerable. Using the Theil-T measure (see Appendix A), between-race inequality accounts for 37% of total inequality. The median white household income[5] in 1995 was R60 000 per annum, compared with R12 400 for African households, R19 400 for coloured households and R40 500 for Indian households. Thus, while half of white households had after-tax income of R60 000 per annum, only 6% of African households enjoyed the same standard of living.

Nevertheless, *within* race inequality, especially among the African and White population groups is also substantial. Inequality amongst African households accounts for between 29% and 49% of overall inequality, depending on the measure chosen. This is borne out by the high Gini coefficient amongst African households of 0.54.

#### *2.3.4.2 Rural-urban inequality*

The median household income in the rural areas (R10 300 p.a. in 1995) is just over one-third of the median household income in urban areas (R28 600 p.a. in 1995). This does, however, partly reflect the fact that a higher percentage of rural dwellers are African. As seen in Figure 2, African and coloured incomes in the rural areas are about half the incomes earned in the urban areas.

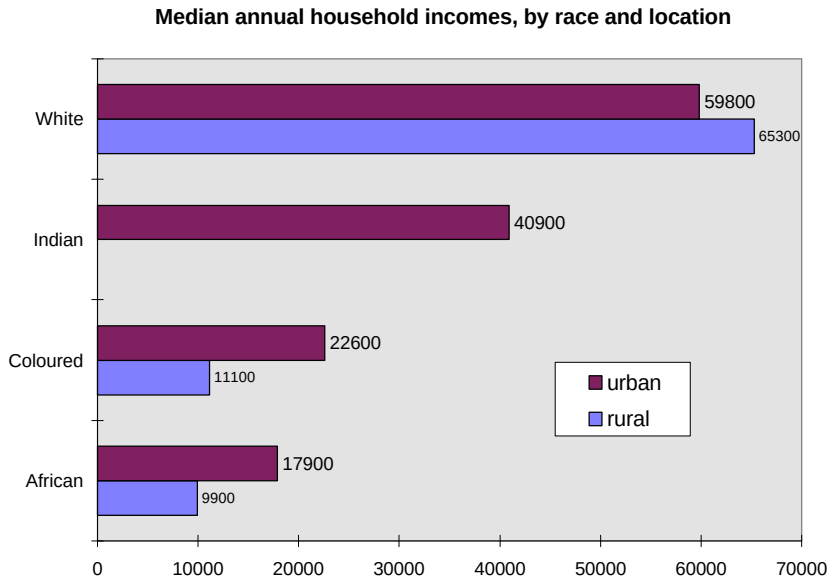



**Figure 2 Mean household incomes (per annum), 1995.**

**Source: Income and Expenditure Survey, CSS.**

# 3. THE EXTENT AND DISTRIBUTION OF POVERTY

## 3.1 Poverty lines

The World Bank (1990) defines poverty as 'the inability to attain a minimal standard of living' measured in terms of basic *consumption* needs or *income* required to satisfy

[5] Note that we refer throughout to *after-tax* incomes.

them. Poverty is thus characterised by the inability of individuals, households or entire communities to command sufficient resources to satisfy their basic needs. The authors of the WDR draw a 'poverty line' which separates the 'poor' from the 'non-poor' based on 'the expenditure necessary to buy a minimum standard of nutrition and other necessities'. This expenditure varies between countries, therefore country-specific poverty lines have to be constructed.

Consumption-based poverty lines are thus directed above all to *physical* measures of relative well-being. The inability to attain minimal standards of consumption to satisfy basic physiological criteria is often termed *absolute* poverty or deprivation. It is most directly expressed in not having enough to eat, in other words hunger or malnutrition.

The discussion above suggested that to define a person as poor we should go beyond some money measure of income or consumption. At the same time, a poverty line should be relatively simple in order to be practicable. A poverty line that is so complicated that no empirical study can adequately measure all the necessary variables is of little use.

Therefore, in order to measure poverty in an easily tractable way, the convention is to use a poverty line which is measured in money terms. Thus the poverty line does not necessarily reflect actual expenditures, but rather the monetary value of consumption. Poverty lines will differ over time and space - R100 bought a lot more ten years ago than it does today, similarly R100 buys a lot more commodities in Swaziland than in Sweden. Deciding where to draw the poverty line is ultimately something of an arbitrary decision. After all, can one assert that a household earning R999 a month is poor, but a household earning R1000 a month is not? A poverty line will always be an imperfect measure, but for purposes of analysis we need to draw the line *somewhere* in order to go forward in understanding the nature of poverty.

For the purposes of the analysis in this chapter, we define as "poor" the poorest 40% of households and as "ultra-poor" the poorest 20% of households. (Households are ranked on adult equivalent expenditure - see Appendix A for an explanation.) According to these definitions, households who expend less than R352.53 per adult equivalent are regarded as poor; households who expend less than R193.77 per adult equivalent are regarded as ultra-poor. Just under 50% of the population (about 21 million people) live in the poorest 40% of households and are thus classified as poor. Similarly, 27% of the population (or 11 million people) live in the poorest 20% of households and are thus classified as ultra-poor.

This section uses two different concepts to examine the distribution of poverty. One is simply the share of the population that is below the poverty line, which is the well-known concept of the poverty rate or the 'head-count index'. The other measure is called the poverty gap and measures the depth of poverty. It is crucial that we focus not only on the proportion of poor households, but on the depth of the poverty which the poor experience . Not all households classified as poor or ultra-poor suffer the same degree of deprivation. For this reason, we calculate the poverty gap in order to get some sense of the depth of poverty. The poverty gap is the aggregate poverty deficit of the poor relative to the poverty line. In other words, it is the amount that is needed to lift the poor to the poverty line through a perfectly targeted transfer.

## 3.2 Where are the Poor?

As can be seen from Table 5, most of the poor live in rural areas. The *poverty share* of rural areas (i.e. the percentage of poor individuals that live in rural areas) is 70%. The poverty *rate* in rural areas (i.e. the percentage of individuals classified as poor) is about 70%, compared with 30% in urban areas.

**Table 5** ***Distribution of poor individuals by rural/urban classification***

| | **Population share (%)** | **Poverty share (%)** | **Poverty rate (%)** |
|---|---|---|---|
| Rural | 50.4 | 71.6 | 70.9 |
| Urban | 49.6 | 28.4 | 28.5 |
| All | 100 | 100 | 49.9 |

**Source: 1995 Income and Expenditure Survey, CSS.**

The disparities in living standards between rural and urban areas are apparent without appealing to a consumption-based poverty measure. The vast differences in access to basic services are shown in Table 6.

**Table 6** ***Access to basic services, by rural/urban classification***

| | **Rural (%)** | **Urban (%)** |
|---|---|---|
| Running water inside dwelling | 16.8 | 74.1 |
| Flush toilet indoors | 10.9 | 65.5 |
| Electricity in house | 21.1 | 82.4 |
| Telephone in dwelling / cellular | 7.5 | 48.4 |

**Source: 1995 October Household Survey, CSS.**

The total poverty gap (i.e. the amount that is needed annually to wipe out poverty through a perfectly targeted transfer to the poor) in 1995 was about R28 billion, or about 4% (CHECK) of GDP. The combination of a high poverty rate and deep poverty among the poor in rural areas means that 76% of the total poverty gap is accounted for by poverty in rural households, although they only make up 50% of the population.

Poverty is distributed very unevenly among South Africa's nine provinces. Figure 3 shows that the Eastern Cape and the Northern Province have by far the highest poverty rates. In these provinces, almost three-quarters of the population is poor. In contrast, the poverty rates in Gauteng and Western Cape are both under 20%.[6]

[6] The PSLSD did not stratify the sample on the basis of the new provinces (since the boundaries had not yet been decided upon). Consequently, these figures should be taken only as indicative. In particular, the sample in the Northern Cape was so small as to make it impossible to draw any firm conclusions about the rate or share of poverty.

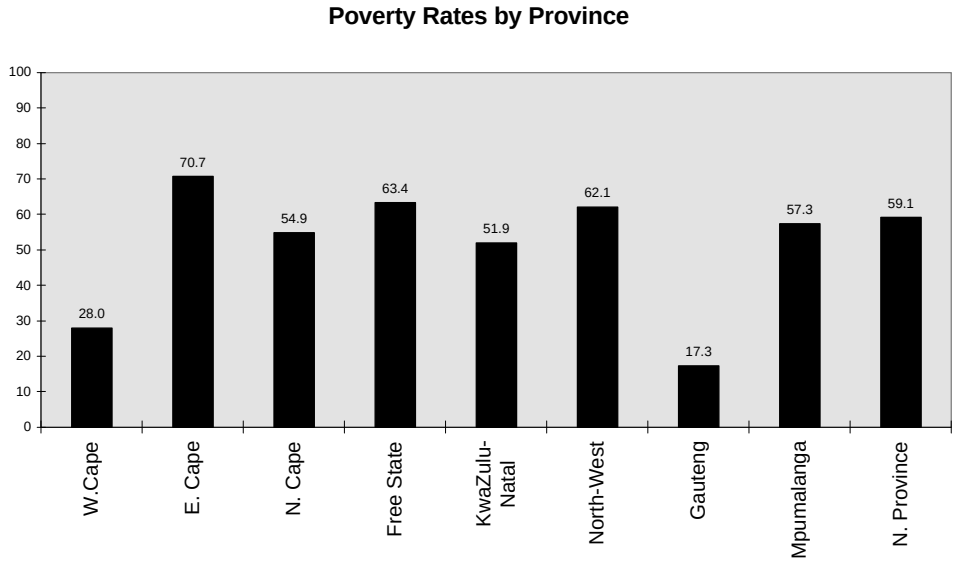



**Figure 3 Provincial poverty rates**

**Source: 1995 Income and Expenditure Survey, CSS.**

Poverty is also *deepest* in the Eastern Cape, the Free State, and Northern Province. As a result, these three provinces account for a disproportionate share of the total poverty gap. While containing only 36% of the population, poor households in these provinces contribute 51% of the total poverty gap. In contrast, Gauteng and the Western Cape make up only 8% of the total poverty gap, despite being home to 26% of the population.

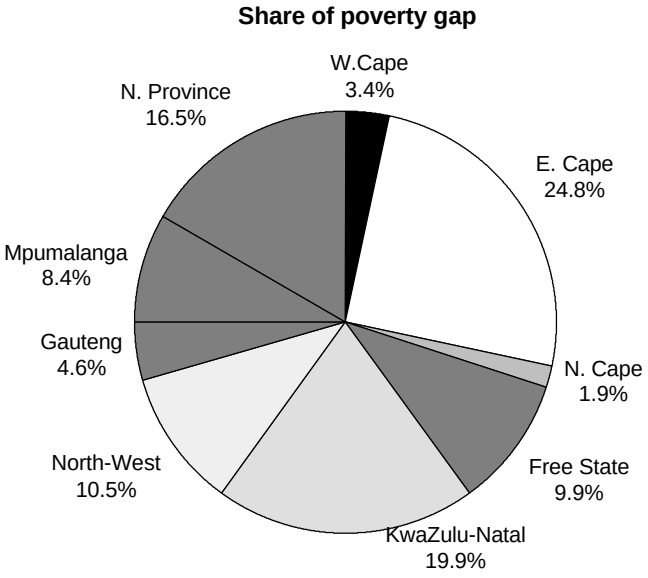
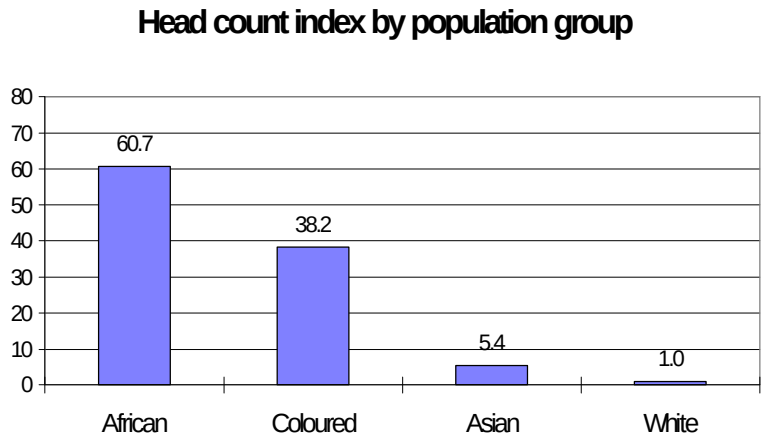



**Figure 4 Provincial shares of the poverty gap**

**Source: 1995 Income and Expenditure Survey, CSS.**

## 3.3 Poverty and Race

Living standards are closely correlated with race in South Africa. While poverty is not confined to any one racial group in South Africa, it is concentrated among blacks, particularly Africans. The figure below shows the poverty rate by racial breakdown. It shows that 61% of Africans are poor, compared with only 1% of whites.




## 3.4 Children in Poverty

Three children in every five live in poor households. Children in some provinces are far more likely to be poor than those in others. In the Eastern Cape, for example, 78% of children live in poor households, compared to 20% in Gauteng.

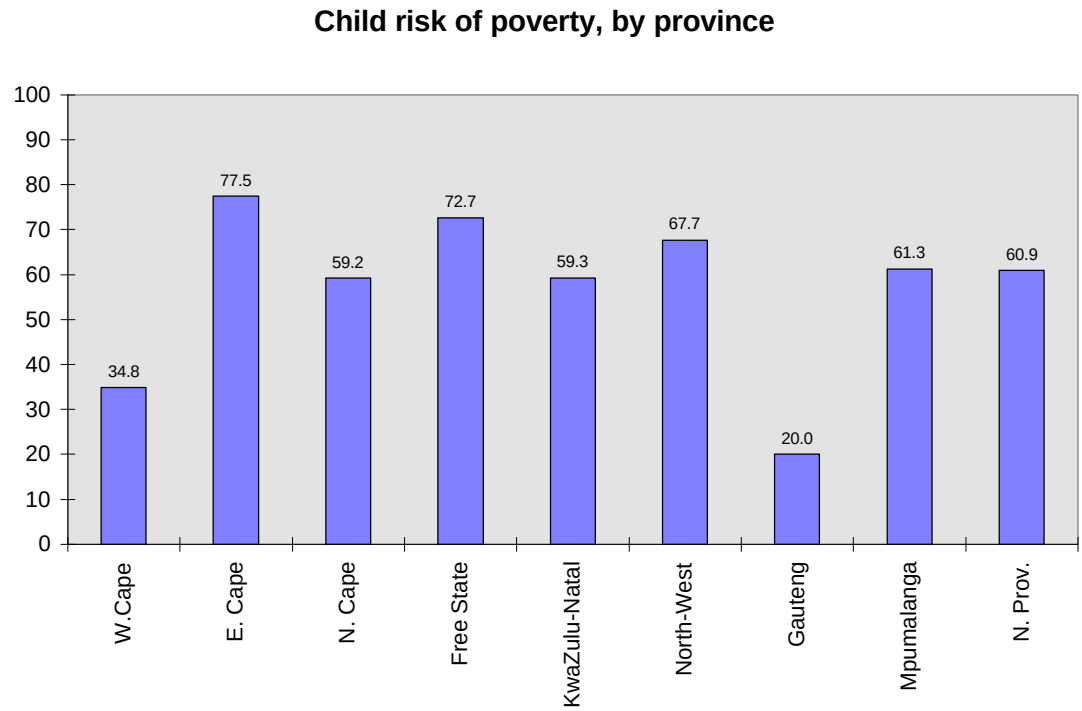



**Figure 5 Incidence of child poverty, by province**

**Source: 1995 Income and Expenditure Survey, CSS.**

A child who experiences poverty is exposed to the risk of impaired physical and mental development. But even if the child suffers no permanent physical damage, the child is clearly at a disadvantage. Some children from poor households are kept out of school to help at home, others take the burden of poverty to school with them. If a child is hungry, she cannot concentrate properly at school. If her home has no electricity, she cannot easily study in the evenings. If she must assume domestic roles of cooking, cleaning and child-care, this leaves less time for homework.

The PSLSD data shows that 5% of poor children between the ages of 10 and 16 are not in school (compared with 2% of non-poor children). It also shows that 31% of female schoolchildren from poor households are responsible for collecting water for the household, compared with only 15% of schoolgirls from non-poor households. Each day these girls spend an average of an hour fetching and carrying a total of 75 litres of water. In addition, 12% of schoolgirls from poor households have the chore of gathering firewood for their families, compared with 5% of girls from households above the poverty line.

## 3.5 Poverty and gender

Since a household survey collects information principally at the *household* level, it cannot tell us much about the inequalities in resource allocations *within* households. When we talk about poor women, for example, we are talking about those women who are living in poor households. In reality, there may be many women who, although they live in non-poor households, should be counted as poor because of the inequalities in intra-household allocations.

What does emerge clearly from the PSLSD data, however, is that households headed by women are more likely to be poor. For our purposes we regard female-headed households as those where either the *de jure* or *de facto* head of household is a woman. (A household where the head of household was specified to be a woman is *de jure* female-headed, while a household where the head of household is in practice female because the designated male head is absent for most of the year is *de facto* female-headed.)

About 65% of households in the PSLSD survey were headed by resident males. In the remaining 35% the *de jure* or *de facto* head is female The poverty rate amongst female-headed households was 60%, considerably higher than the rate of 31% in male-headed households. There are at least four factors at play here: female-headed households are more likely to be in the rural areas where poverty is concentrated, female-headed households tend to have fewer adults of working age, female unemployment rates are higher and the wage gap between male and female earnings persists.

Female-headed households tend to be more heavily reliant on remittance and state transfer income (pensions and grants) than male-headed households. The irregular and uncertain nature of remittance income increases the vulnerability of female-headed households. Average wage income in these households is about one-third of average wage income in male-headed households. This underscores the importance of targeting women (especially rural women) in community-based public-works programmes, SMME development and training programmes.

The South African Participatory Poverty Assessment highlighted the amount of time which women spend in unpaid labour. Women are often singly responsible for child-care, cleaning the house, fetching and heating water, washing and ironing, shopping, collecting firewood, cooking and washing dishes. The many household activities which women are expected to perform severely restricts the amount of time available for income-earning activities.

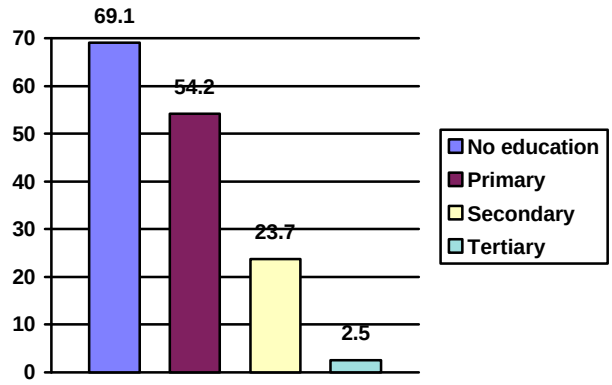
Impact of desertion of a mother and child (May et al, 1996)
*Life becomes very difficult and there is much suffering;*
*You go to the court to ask for maintenance, but it is usually unsuccessful;*
*You ask for help from the neighbours;*
*You buy on credit from the shop;*
*The lawyer sends you a letter of demand because you cannot pay your account;*
*You go and plead at court;*
*The magistrate speaks to the lawyer;*
*You go and work on the lands;*
*You earn R50 per week;*
*You and the children suffer hunger;*
*There are five children in the house;*
*The eldest child has to go and work on the lands so that the others can learn;*
*Without money you can't do anything.*

# 4. THE EXPERIENCE OF POVERTY AND INEQUALITY

## 4.1 Poverty and Education

The chart below shows the relationship between education and poverty. It is clear that there is a very strong correlation between educational attainment and standard of living.

**Table 7 Poverty rate by educational attainment of household head**




**Source: PSLSD.**

Priority ranking exercises in many of the communities which participated in the studies for the PPA consistently listed education as a priority area for improved access for the poor. There were two dimensions to this - access to basic schooling for children, and

skills training for adults which would improve their access to opportunities for employment and income generation.

Only one study found scepticism over the value of education, and then only in two areas:

*"Of critical importance is the perception among many Kwa-Jobe residents that those who attend school and do not, as a result, become herders, are among the poorest in the area. This is a theme that is re-emphasised in many focus group discussions.....What is particularly striking is that this perception is being stated by women who have been educated and, in the case of one community health worker, have received additional job training. There is a feeling among many youth in areas like Klipfontein that schooling does not help them but in other areas, like Northern Province, significant infusions of resources for education have been part of household expenditures for decades." (Breslin and Delius, 1995)*

This illustrates that education is also judged by the poor in terms of its *relevance* as well as by issues of access and quality - and that relevance is seen primarily in terms of the likelihood of eventual access to employment.

In terms of specific problems over access to education, these can be grouped into the following broad areas:

- *The costs of education* whereby the amount and timing of school fees can be a significant barrier to accessing education

  *Lack of physical access* to schools is also still a significant barrier for many poor children.

- *Poor planning and resources* of schools in some areas, especially schools located on farms.

- *Factors linked to gender* such as teenage pregnancy is a major issue for girls' access to education.

The principal asset of the poor is labour time, and education increases the productivity of this asset. At the individual level, a better education means a better income. At the aggregate level, a better educated population leads to higher economic growth.

## 4.2 Poverty and health

As Chambers (1983) has argued, the main asset of most poor people is their body. This was explicitly recognised by some of the participants in the SA-PPA:

*"There is too much poverty in our villages and these teenagers use their bodies for survival. They will do anything that their well-off lovers demand of them" (Village health worker discussing teenage pregnancy in Lenyenye as reported in Wentzel et al, 1995)*

Like any other asset, this asset has different dimensions. Amongst others, these include: health, strength, time availability, and the ability to take decisions over labour utilisation. The physically strenuous nature of the casual labour undertaken by the poor, and the importance of health is described by Murphy (1995) who quotes a 61 year old women: "*...with money, I can stop doing the cheap labour because I do not have the strength*".

Differences in health status are difficult to measure without a physical examination. Reliance on a respondent's own perception of his or her health status often leads to biases since better educated individuals are typically more concerned about their health status and report being sick even if they suffer from comparatively minor ailments. In contrast, health awareness among poorer groups is often lower and leads to a lower reported incidence of ill health, despite objectively worse health indicators (Sen, 1992).

This problem was encountered in the PSLSD survey which found that the wealthier reported a higher prevalence of ill health than the poor. Despite this, the nature of the health problems listed gave some clue towards the true state of health among the poor (Klasen, 1996). The health problems listed in Table 8 are all related to poverty and demonstrate the higher prevalence of diseases of poverty among lower income groups, including tuberculosis, diarrhoea, and fever. In addition, the much higher rates of mental disability among the poor are an indication of poor mental health facilities as well as the likely influence of violence and trauma on many poor people (Klasen, 1996).

**Table 8 Proportion Suffering from Each Illness among those who were Ill in Two Weeks Prior to Survey (%)**[7]

| | **Ultra-Poor** | **Poor** | **Non-poor** | **All** |
|---|---|---|---|---|
| Tuberculosis | 4.4 | 4.2 | 2.1 | 2.9 |
| Diarrhoea | 11.5 | 8.2 | 4.6 | 6.0 |
| Fever | 10.0 | 8.5 | 5.9 | 6.9 |
| Physical disability | 5.2 | 4.5 | 3.1 | 3.6 |
| Mental disability | 8.3 | 6.5 | 2.5 | 4.0 |

**. Source: PSLSD.**

The PSLSD survey included a physical examination of the heights and weights of a sub-sample of children which allows a more objective assessment of their health status. It shows that poor children suffer from much higher rates of chronic undernutrition (i.e. stunting). As can be seen from Figure 6, 38% of ultra-poor children below the age of five suffer from stunting.

[7] The percentage of individuals *reporting an illness* in the two weeks prior to survey, who complained of a particular symptom.

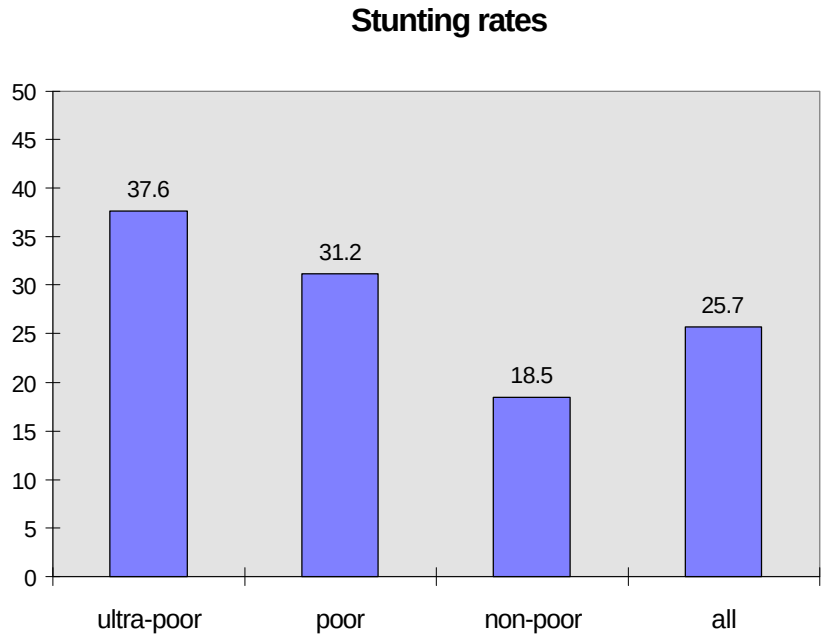



**Figure 6 Percentage of children under five whose height for age is below 2 standard deviations of the reference standard**

**Source: PSLSD.**

## 4.3 Employment and Income among the Poor

Not surprisingly, poverty and unemployment are closely linked. The unemployment rate among those from poor households is 55%, in comparison with a rate of 14% for those from non-poor households.

**Table 9** ***Unemployment rates* above and below the poverty line***[8]

| | Poor | Non-poor | All |
|---|---|---|---|
| Female | 56.9 | 19.5 | 35.6 |
| Male | 53.9 | 10.4 | 25.9 |
| Rural | 55.5 | 16.3 | 40.2 |
| Urban | 55.2 | 13.6 | 23.4 |
| All | 55.4 | 14.3 | 30.3 |

**Source: PSLSD.**

In addition, labour force participation is lower in poor than non-poor households. Half of the working-age poor are outside of the labour market. As a result, the percentage of working age individuals from households below the poverty line that are actually working is significantly lower than average. Only 22% of individuals aged 16-64 living in households classified as poor are employed, compared with 60% from non-poor households.

[8] . The unemployment rate is calculated by dividing the number of people aged 16-64 who are not working but would like to work (and are either actively seeking work or are too discouraged to continue looking) by the number of people in the labour force.

Figure 7 shows the differences between the sources of income for poor and non-poor households[9].

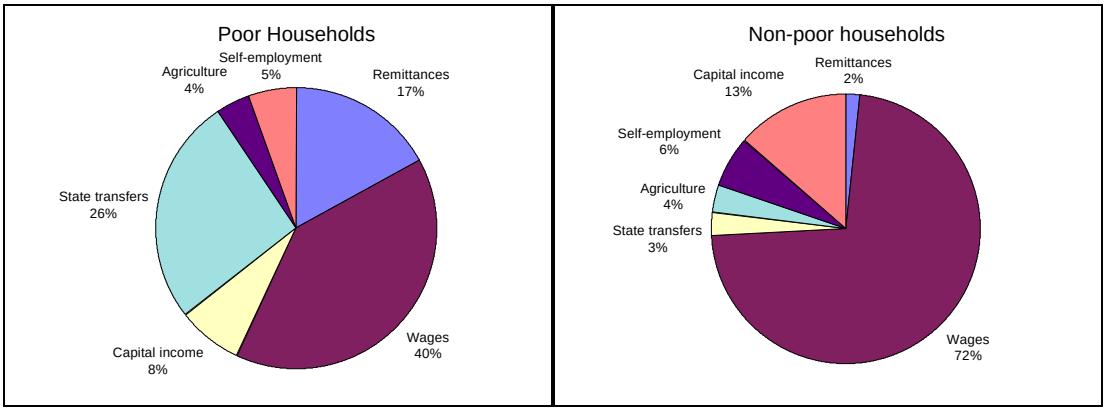



**Figure 7 Sources of income among poor and non-poor households.**

**Source: PSLSD**

Figure 7 shows that the poor are far more dependent on remittances and state transfers than the non-poor. What cannot immediately be seen from the graph is that poor households typically rely on multiple sources of income. This reduces risk, as the household is less vulnerable if it should experience a sudden loss of income from a particular source.

Figure 7 again highlights the importance of wage income. Poor households are characterised by a lack of wage income, either as a result of unemployment or of low-paid jobs. In rural areas in particular, jobs represent a poor and rather unstable source of income. Thus, while more jobs are important, so are better jobs for those that are already employed (Klasen, 1996).

## 4.4 Poverty and access to services

Access to water, electricity and sanitation impact directly on quality of life. Access to clean water and sanitation has the most obvious and direct consumption benefits in reducing mortality and poor health and increasing the productive capacity of the poor. For example, the poor (especially women) must commit large shares of their income or time to obtaining water and firewood. This time would be better used in child care or income-generating activities.

It can be seen from Table 10 that lack of access to basic services is closely related to poverty.

**Table 10** ***Access to basic services***

| | **Percentage of households with access** | | |
|---|---|---|---|
| | Ultra-poor | Poor | Non-poor |

[9] . Capital income refers to income from sources such as dividends, interest and imputed rent. Imputed rent is the price attached to the benefit of owning the dwelling in which the household resides. The household is, in effect, renting the dwelling from itself. Thus, imputed rent is regarded as both an income and expenditure.

| | households | households | households |
|---|---|---|---|
| Electricity | | 22.7 | 74.8 |
| Flush or VIP toilet | | 19.5 | 76.2 |
| Piped water | | 28.4 | 80.0 |

## 4.5 Poverty and access to transport

Due to the apartheid policies regarding the spatial segregation of the various racial groups and the lack of an adequate public transport system, transport has become a major constraint for the poorer population. Consequently, the working poor spend a large amount of time and money on transportation (Table 11). This reduces their take-home earnings and increases their cost of living.

**Table 11 Mode of transport used to get to work**

| **Types of Transport Used to get to Work (%)**: | **Ultra-poor** | **Poor** | **Non-poor** | **All** |
|---|---|---|---|---|
| Bus | 9.2 | 13.1 | 10.7 | 11.3 |
| Taxi | 13.7 | 23.3 | 24.3 | 24.1 |
| Car/Motorbike | 7.1 | 7.0 | 39.5 | 31.2 |
| Walk | 67.4 | 51.9 | 19.6 | 27.8 |
| Other | 2.6 | 4.7 | 5.9 | 5.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

**. Source: PSLSD.**

## 4.6 Comparing income poverty with deprivation

Klasen's (1996) deprivation measure is a composite index of 12 measures of deprivation, including income, health, education, household wealth, access to services, transport, and perceptions of quality of life. Each indicator ranges from 1 to 5 with one being the lowest and five the highest.[10] Table 2 describes the indicators and the scores attached for each characteristic. The total deprivation index is a simple average of all individual scores.[11]

[10] Due to data limitations, all measures are applied at the household level and thus do not necessarily measure individual welfare within a given household adequately. At the same time, none of the measures include community characteristics that may have an impact on well-being and deprivation.

[11] There is a difference in treating missing observations among the indicators. For most indicators, the very few missing observations are assigned the average of the indicator. For stunting and health service utilisation, however, the many missing observations are excluded and the average will therefore exclude those components.

**Table 12: Components of a Composite Measure of Deprivation**

| Component | Description of indicator used | Score (1 signifying most deprived, 5 least) | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| Education | Average years of schooling of all adult (16+) household members | <2 | 3-5 | 6-9 | 10-11 | 12+ |
| Income | Expenditure quintiles (as used throughout paper) | Poorest quintile | Quintile 2 | Quintile 3 | Quintile 4 | Richest quintile |
| Wealth | Number of household durables (appliances, vehicles, phone, etc.) | 0-1 | 2-4 | 5-7 | 8-10 | 11+ |
| Housing | Housing characteristic | Shack | Traditional dwelling, hostel, outbuilding | Combination of buildings | Flat, maisonette | House |
| Water | Type of water access | River/Stream, Dam, Standing Water | Rainwater, protected spring, well, borehole | Public standpipe, water tanker/carrier | Piped water on premise | Piped water inside house |
| Sanitation | Type of sanitation facilities | No toilet | Bucket | Latrine | Imp. latrine, chem. toilet, flush toilet outside | Flush toilet inside |
| Energy | Main source of energy for cooking | Wood | Dung | Paraffin, coal | Gas from bottle, dry battery | Electricity from grid, town gas |
| Employment | Share of adult members of | 0-19% | 20-39% | 40-59% | 60-79% | 80-100% |

| | | | | | | |
|---|---|---|---|---|---|---|
| | households employed | | | | | |
| Transport | Type of transport used to get to work | Walk | Bicycle | Bus, train, taxis | | Car |
| Nutrition | Share of children stunted in household* | 80-100% | 61-80% | 40-59% | 20-39% | 0-19% |
| Health Care | Use of health facilities during last illness* | None | Family, friend, traditional healer | Clinic, public hospital, shop | Pharmacy, visit by PHC nurse | Private doctor |
| Perceived Well-Being | Level of satisfaction of household | Very Dissatisfied | Dissatisfied | Neither/Nor | Satisfied | Very Satisfied |

*only applies to households that have children under six or have used health services in previous two weeks, respectively.

Clearly, such a measure is subject to the same criticism that has been levelled against the HDI and similar composite indicators. Klasen does not present any particular indicator (or each particular scoring) as a definitive measure of well-being. Instead, the intention is to illustrate the differences of such a broader measure to a money metric measure and its use in identifying particularly deprived groups.

The average score for the entire population is 3.03. About 8.7% of people have a score below 2 suggesting extreme depravation, 53.1% a score below 3 needed for a basic levels of resources, services, and well-being. 6.9% of the population score 4.5 or above suggesting that they are doing very well in all the components included in the indicator.

Table 12 shows that there is, on average, a close correlation between income poverty and the composite index of deprivation. People in the richest quintile score nearly twice as high as people in the poorest quintile. This is not surprising given the close correlation between income and non-income measures such as education, health, access to services, and the like. But, while true in average, it is far from a perfect correlation with people in the various quintiles spread across several categories of scores. As can be seen from Table 13, the income poverty measure seems to miss groups of people who have slightly higher incomes, but are deprived in multiple other ways. About 90% of the group 'missed' by the income poverty indicator are Africans from rural areas, drawn predominantly from KwaZulu-Natal This suggests that Africans in rural areas, particularly in KwaZulu-Natal, are more deprived on a broader scale than their expenditure levels would suggest.

**Table 13: Comparing expenditure quintiles to composite deprivation index**

| | Quintile 1 (Poorest) | Quintile 2 | Quintile 3 | Quintile 4 | Quintile 5 (Richest) | Total |
|---|---|---|---|---|---|---|
| Composite Deprivation Index: | | | | | | |
| Average | 2.27 | 2.68 | 3.12 | 3.69 | 4.45 | 3.03 |
| Share of population (%): | | | | | | |
| < 2 | 24.4 | 6.0 | 1.3 | 0.1 | 0 | 8.7 |
| 2-3 | 68.1 | 64.8 | 37.9 | 12.0 | 0.6 | 44.4 |
| 3-3.5 | 6.8 | 22.2 | 30.7 | 20.9 | 2.2 | 26.6 |
| 3.5-4.5 | 0.7 | 7.0 | 29.9 | 62.1 | 39.4 | 26.0 |
| >4.5 | 0 | 0 | 0.1 | 4.9 | 57.8 | 6.9 |

Source: Klasen (1996)

The considerable differences in income-based and broader measures of deprivation indicates the need to examine broader measures of deprivation for policy and targeting purposes.

; and by Roodt (1995) within community leadership:

> *"In our culture, women tend to fell very small. Men have always been the leaders, their voice is final." "Another thing that makes me very unhappy. Everybody is allowed to voice their opinion. In many cases, I'm cut off while I am voicing my opinion." [female South African National Civics Organisation members in the Eastern Cape]*

Finally, the constant emotional stress of being poor and of the struggle for survival is revealed in many of the studies. This is most extreme in the case of the street children. Here, analysis of self-portraits drawn by the children indicates stress, anxiety, emotional regression and the lack of a real connectedness with the world.(Bedford, 1995:20). Violence and sexual abuse is also a part of the lives of these children, as is graphically depicted in the drawings produced by the children.

Violence and sexual abuse is by no means confined to the extreme example of street children. The case studies documented by Black Sash describe the rape of teenage girls, women being afraid to press child maintenance claims on the fathers of children for fear of being beaten and a argument between a drunken couple leading to the women being stabbed and as a result, crippled. For two of the women interviewed by Murphy, violence had had a profound impact on the lives of the poor. The husband of Mrs. B. Dlamini had been murdered 'by gangsters' in Durban leaving her little option other than limited farming and the support of her father from his pension. In the case of Mrs Msane, political violence had resulted in her house being burnt, the family dispersed between relatives, and to the family having to relocate to a new area.

Amongst other reactions, the emotional stress produced by the struggle, uncertainty and extreme living conditions can be linked to the resignation that little will change. This is well summed up by Mrs. C. Dlamini:

> *"Since birth I have had a difficult life. Things did not improve after my marriage. Through my experience, I have got used to the difficulties."*

In urban areas, poverty produces other forms of reaction:

> *"I am so behind with my rent (service charges) that I can't even sleep at*

> *For street children, sniffing glue is not a problem. Rather sniffing glue relieves the pain of cold and hunger. Taking alcohol or marijuana relieves boredom and enables the child to become part of a supportive group. (Bedford, 1995:44)*

The link between stress, the responses to stress and health are self-evident, and show the inter-related nature of the causes of extreme poverty and how poverty is experienced.

## 4.8 Vulnerability and Seasonality

As already noted, the processes which produce poverty may be either economic, social, environmental or political, and may take the form of either long-term trends, 'shocks' or cyclical processes such as seasonality. However, although poverty and vulnerability are often related, they are not synonymous. Some groups may be at risk of becoming poor because of inherent vulnerabilities (e.g. different types of discrimination based on class, gender, ethnicity, or factors such as disability or region of residence). Certain combinations of vulnerability may be strongly correlated with poverty, such as female-headed households or families living in deep rural areas. But not all members of a particular *vulnerable* group are necessarily *poor*.

Vulnerability thus refers to having (or not having) secure and sustainable access to essential commodities, services and other conditions for an acceptable life (e.g. physical safety of the person). Seasonal stress is an important dimension of vulnerability and has long been recognised as a feature of the livelihoods of the rural poor in many contexts. An assumption has prevailed in South Africa, however, that due to the relatively smaller statistical importance of own account agriculture, even for the rural poor, this would be less the case. The material from the South African Participatory Poverty Assessment, however, indicates that seasonality is a major issue for the rural poor in all areas where studies were carried out.

As an example, poor women in KwaZulu-Natal indicated that the months when they 'struggled the most' were September, October, August and July (in that order). The components of this recurring crisis were lack of home produced food, especially maize, which is exhausted in this season, combined with low levels of income from casual work, and high levels of expenditure required for buying seeds, fertiliser and obtaining tractor ploughing services. This means that cash resources have to be split between the purchase of food, and investment into the forthcoming season. There is also a minor crisis at the beginning of the year, in January/February when school fees are due, and income is low. In the Northern Province, a similar cycle was reported with the

'lean season' in the winter months with malnutrition rising to a peak in July and August.

Seasonality goes beyond the availability of food and peaks in expenditure. Ill health also follows a seasonal pattern, as does workload:

> *The participants felt that late spring/early summer were the hardest months and this was when they were hoeing, weeding and working hardest in the fields. It was also the time of greatest sickness for the children with increased rates of diarrhoea and chest infections. Hospital records reflect this picture with increasing rates of admission for diarrhoea and respiratory infection during the period of the first rains (September-December) (Chopra and Ross, 1995).*

## 4.9 Poverty Traps

Recent quantitative research in South Africa has explored the factors which lead to a persistence of poverty in rural areas (May et al, 1995). In essence this research concluded that the lack of access by rural households to complementary assets and services resulted in a "poverty of opportunity", whereby individuals were unable to take full advantage of the few assets that they did have access to. Further to this, rural households also experienced "time poverty", whereby the time required to undertake essential 'reproductive' tasks meant that individuals, especially women, had insufficient time to engage in additional income earning activities.

A wide range of other factors emerge from the participatory research methods which combine to produce a poverty trap from which the poor find it difficult to escape. For example, the poor women in Murphy's study saw the main 'things that kept them

- they got little or no financial assistance (e.g. from husbands or urban remittances)
- their work is poorly paid
- furthering their children's education requires cash that they find difficult to raise (pay school fees and buy uniforms)
- they do not have enough money to improve the quality of their housing
- obtaining enough food throughout the year is difficult
- to farm successfully requires cash that they find difficult to save (pay for ploughing, fertiliser and seed).

Nduli's presentation of the results of three discussions in rural areas of KwaZulu-Natal on the causes and effects of poverty shows three different conceptions of the nature and impact of poverty. A group of women saw the causes of poverty in relation to lack of employment and education, and the effects predominantly in terms of sufficiency of various consumption items at the household level (food, shelter, clothing). A mixed group of men and women showed a high level of concern with security issues - seeing violence, a high crime rate and unemployment as consequences of poverty - while relating causes to 'political power struggles' as well as lack of jobs and discriminatory policies. A third group perceive poverty largely in terms of lack of access to basic social infrastructure in rural areas (roads, electricity, water, hospitals) -

as well as stressing the issue of lack of job opportunities also raised by the other groups. (Nduli, 1995:36)

The theme of ‘irrational use of money’ - referring primarily to male use of money for alcohol, drugs and tobacco - also emerged as one of the main defining categories of the poor in Klipfontein in the Northern Cape (Operation Hunger, 1995). In KwaJobe in KwaZulu-Natal, the productive means used for farming was a major characteristic for defining the richer and poorer for two groups of women. The poorest are seen as those who ‘work for others, then plough’, ‘plough by hand’, were ‘pensioners without livestock’, ‘sell labour and have no time to plough’, and ‘children who grow into adults but have opted to go to school instead of being shepherds’. The less poor ploughed with tractors, cattle, donkeys, and owned livestock. The wealthiest of all, however were shop owners or those employed with steady jobs.