The shape(s) of poverty and poverty measurement in South Africa.

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Poverty dynamics & research challenges

- The content of the indicators matters.

- Measurement is not the same as definition.

- Balancing consistency and relevance is a challenge.

- The context matters – for design and interpretation.

- Different methods for different purposes – cross-sectional indicators, composite indices, longitudinal analyses.

Broad trends – income poverty

- A legacy of discrimination: poverty is racialized, spatial, gendered, intergenerational. Highly persistent inequalities.

- Income poverty has decreased – largely a function of public spending on social protection including cash grants, free basic services, rates rebates, free education for the poor, health fee waivers, etc.

- Unemployment has not changed substantially:
  27% (official); 36% (expanded).

- Poverty transitions – lots of movement, in and out. Almost half the population is chronically poor. [Finn & Leibbrandt (2017). The dynamics of poverty in South Africa. Version 3. Cape Town: SALDRU, UCT. (SALDRU Working Paper Number 174/ NIDS Discussion Paper 2016/1).]

Broad trends - inequality

- Poverty reduction does not mean inequality reduction

- Widening wage gap between top and bottom earners within the labour market. Debate on minimum wage, and some traction for the idea of a maximum wage or wage differential.

- Persistent wage gap between men and women – relevant to children.

- Rising inequality (driven by within-race inequality). Probably higher than calculated Gini due to under-reporting of income. [Wittenberg 2017 Are we measuring poverty and inequality correctly? Comparing earnings using tax and survey data. Econ3x3.]

- Both poverty and inequality persist over generations – and educational (im)mobility is a major driver. [Finn, Leibbrandt & Ranchod (2016). Patterns of persistence: intergenerational mobility and education in South Africa. Version 3. Cape Town: SALDRU, UCT. (SALDRU Working Paper Number 173)].
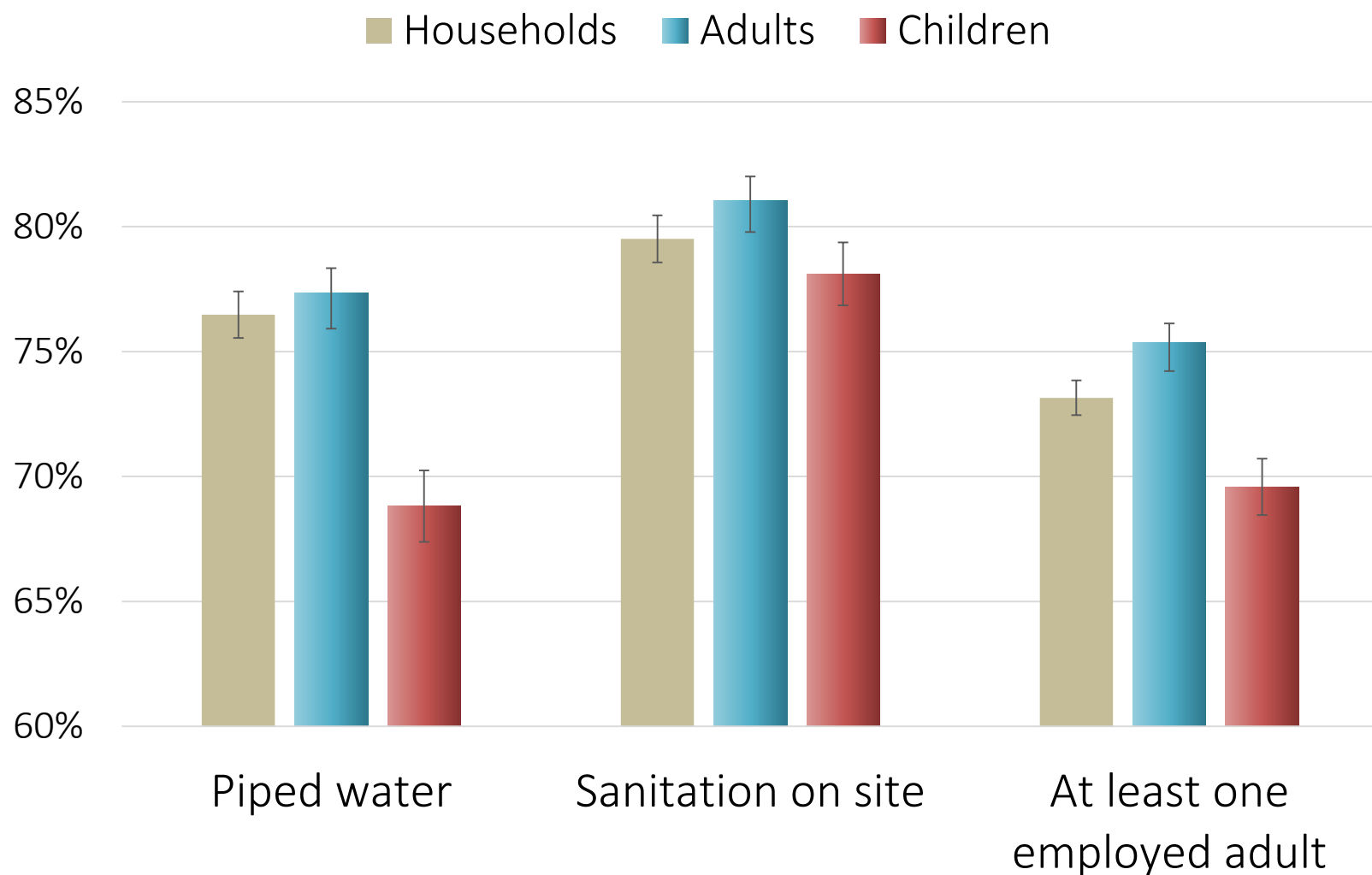
Income distribution
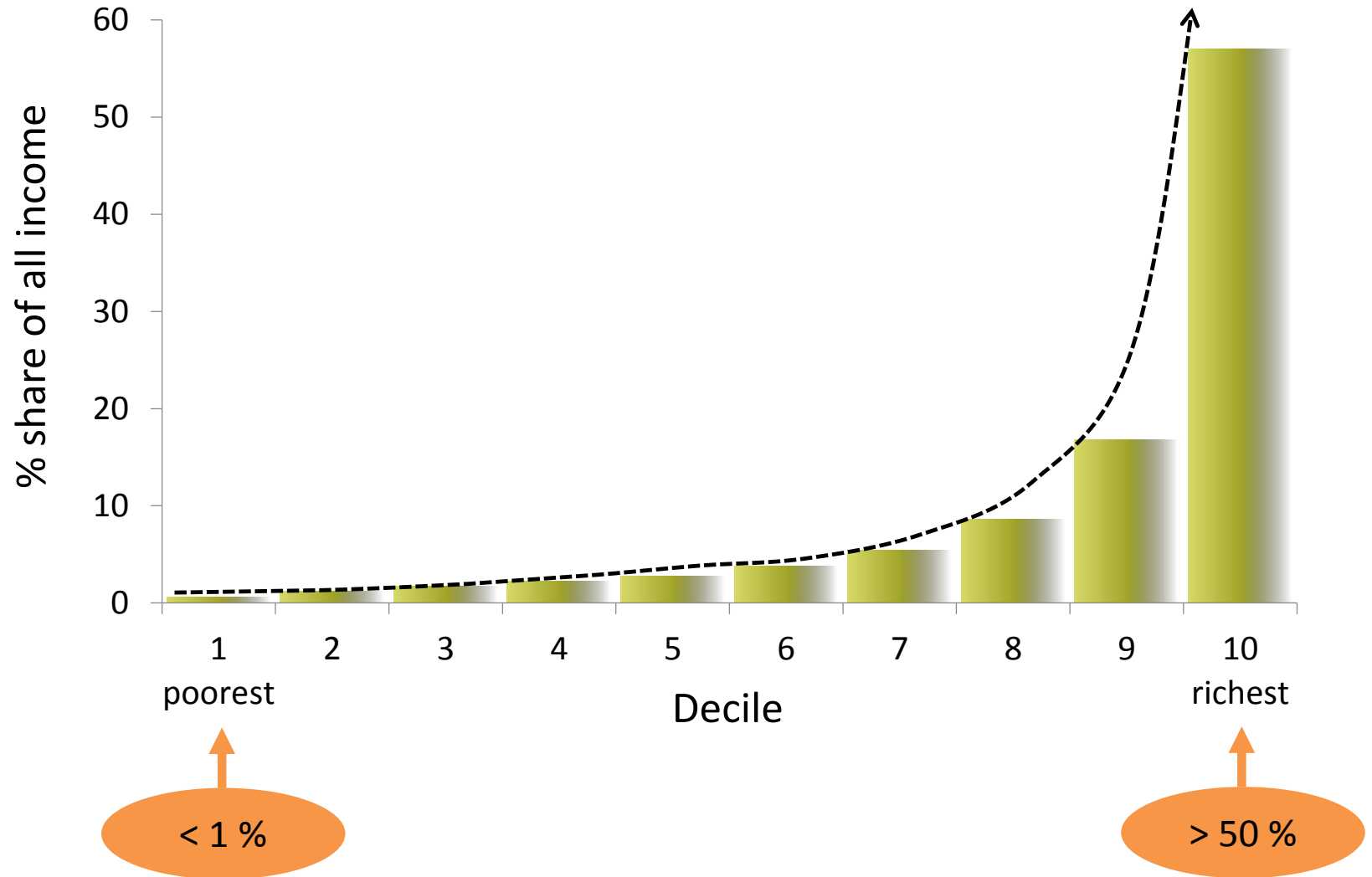
Population distribution over quintiles

Household quintile →

Per capita hh income/ mth→

1 (poorest)	2	3	4	5 (richest)
$94	$188	$345	$828	
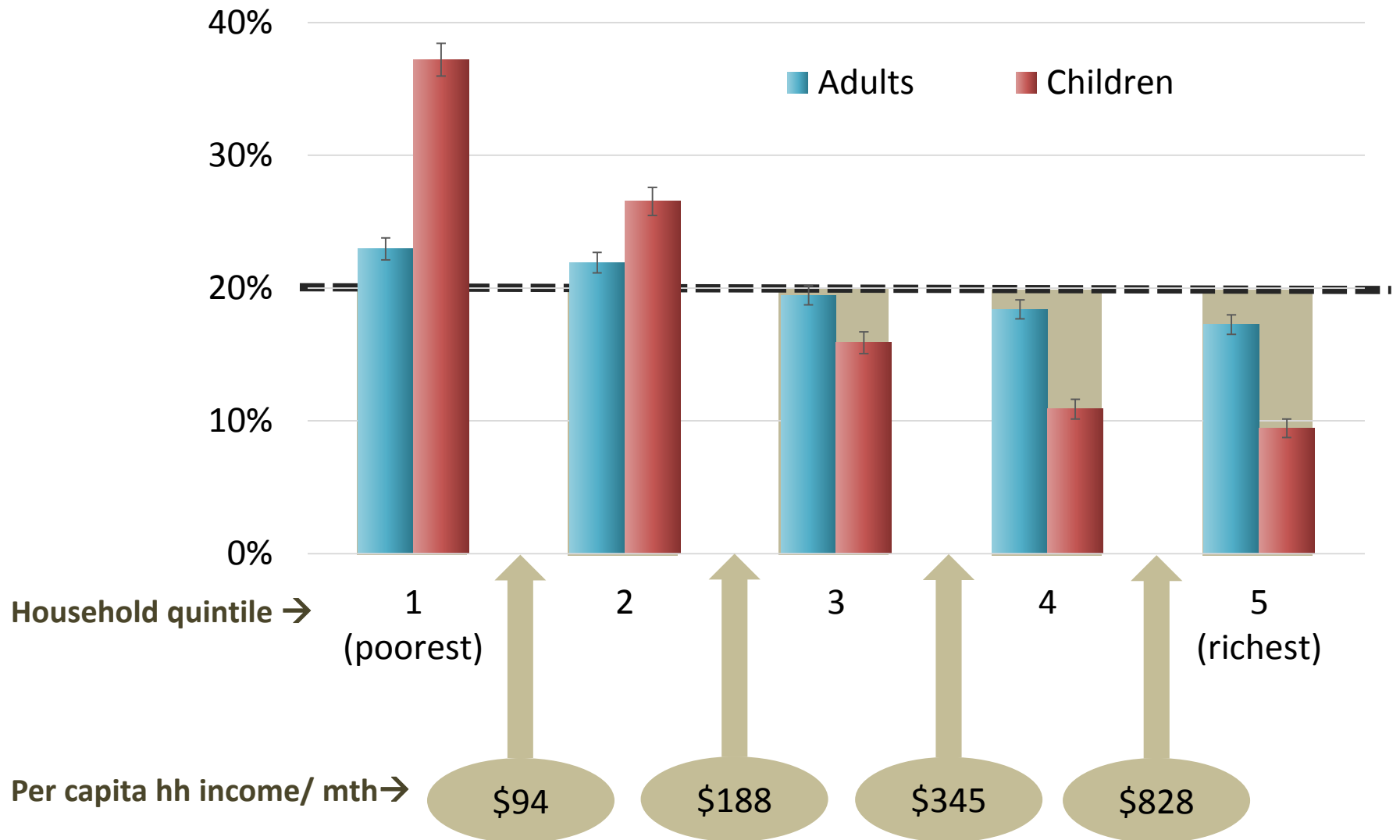
Own calculations from General Household Survey 2016

Relative deprivation of children

Own calculations from General Household Survey 2016

Multiple reinforcing inequalities

Dimension of household deprivation	QUINTILE 1 (Children in poorest 20% of households)	QUINTILE 5 (Children in richest 20% of households)
Children go hungry	22%	0%
Inadequate water	50%	3%
Inadequate sanitation	30%	3%
Overcrowded households	23%	1%
Not in formal housing	27%	1%
Health care more than 30 mins away	30%	6%
Nobody working in the household	67%	1%

Own calculations from General Household Survey 2016

Multiple indices: domains & indicators

The SAIMDC 2011 has 5 domains (comprising 11 indicators) which were constructed at municipality level				
MATERIAL DEPRIVATION DOMAIN	*EMPLOYMENT DEPRIVATION DOMAIN*	*EDUCATION DEPRIVATION DOMAIN*	*LIVING ENVIRONMENT DEPRIVATION DOMAIN*	*FOOD INSECURITY DOMAIN*
% of children living in a household · without a refrigerator OR · with neither a TV nor radio OR · without a telephone	· % of children living in a household where no adults aged 18 or over are in employment	· % of children who are in the wrong grade for their age (children aged 9 and 4 months-16 and 3 months) · % of children who are not in school (children aged 7-15)	% of children living in a household · without piped water inside the dwelling or yard OR · without electricity for lighting OR · without a flush toilet OR · that is a shack	· % of children living in a household with a per capita household income below the mean per capita household income of households where adults and/or children went hungry, as recorded in the LCS
Each domain was standardised and transformed to a common distribution and then combined with equal weights				
South African Index of Multiple Deprivation for Children 2011 at municipality level				

Source: Southern African Social Policy Research Institute and Children's Institute analysis for UNICEF.
Image courtesy of Dr Gemma Wright, SASPRI.

# South African Index of Multiple Deprivation for Children (SASPRI)

South African Index of Multiple Deprivation for Children 2011 at municipality level
Map 6: Food Insecurity Domain National quintiles of municipalities
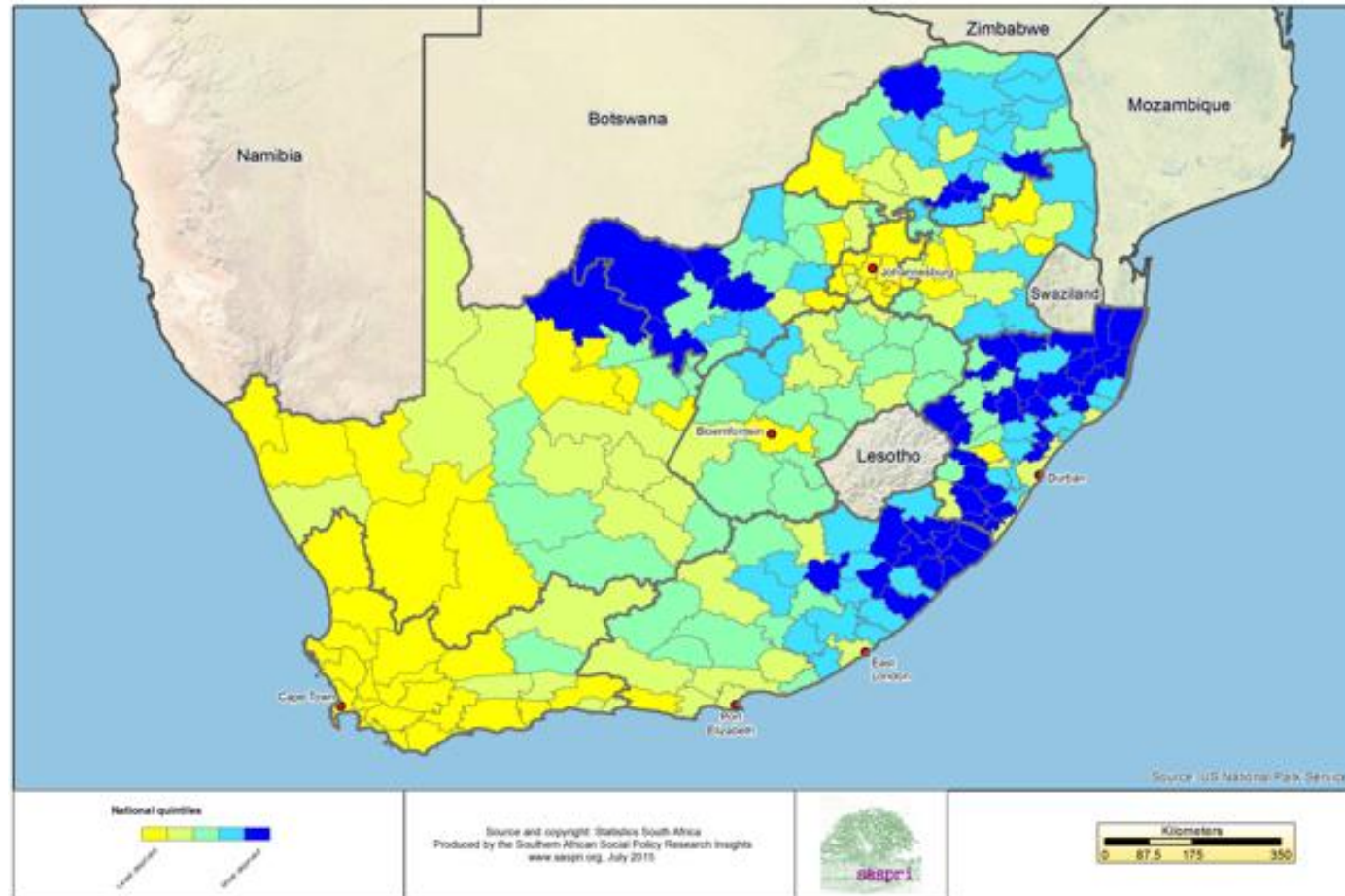
<u>Source:</u> Southern African Social Policy Research Institute and Children's Institute analysis for UNICEF.
Image courtesy of Dr Gemma Wright, SASPRI.

Youth MPI
(UCT Poverty & inequality initiative)

Youth MPI Value (0-1)
- >0.25
- 0.20 - 0.25
- 0.15 - 0.20
- 0.10 - 0.15
- <0.10
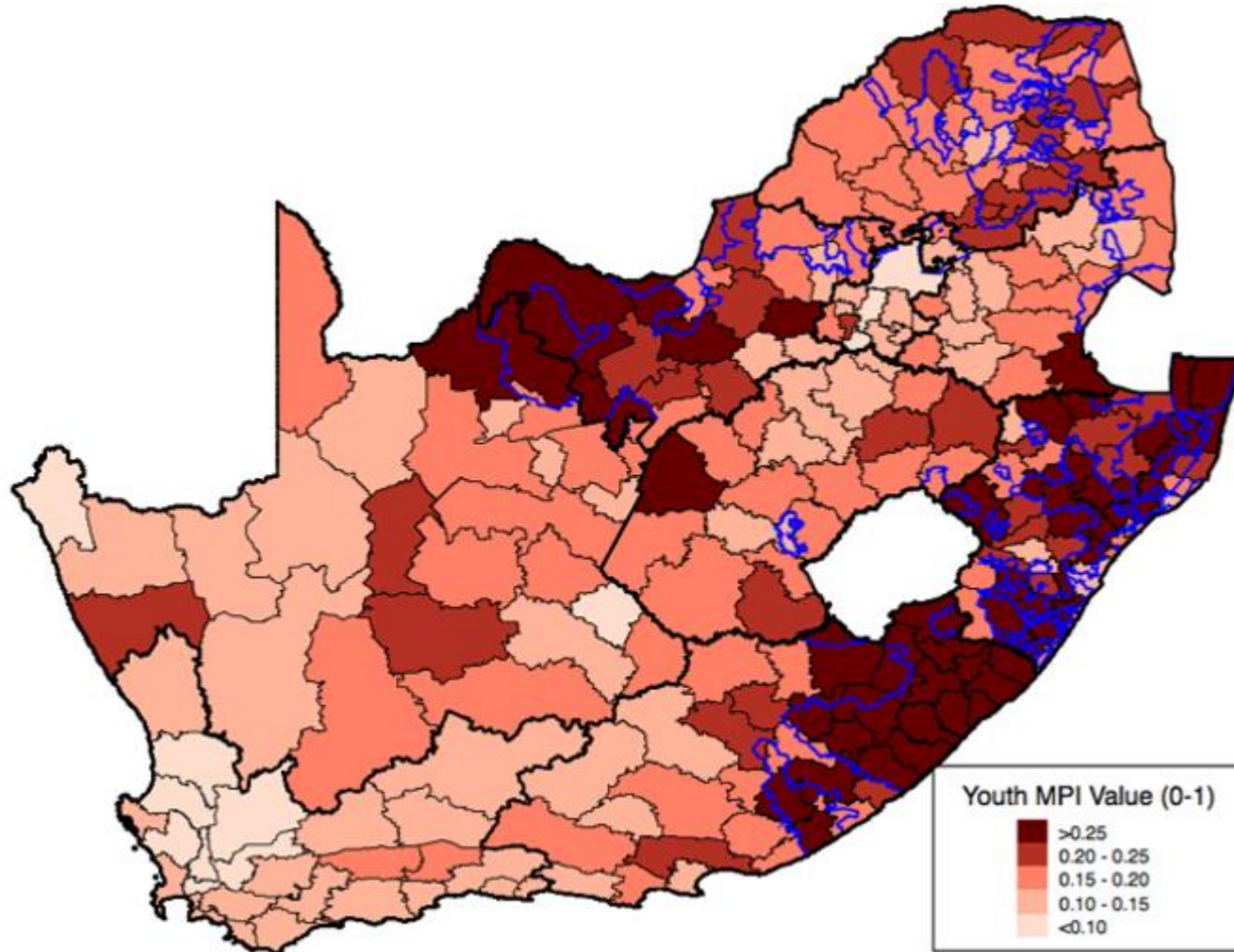
Source: Frame, E., De Lannoy, A., Leibbrandt, M. (2016). Measuring multidimensional poverty among youth in South Africa at the sub-national level. A Southern Africa Labour and Development Research Unit Working Paper Number 169. Cape Town: SALDRU, University of Cape Town.

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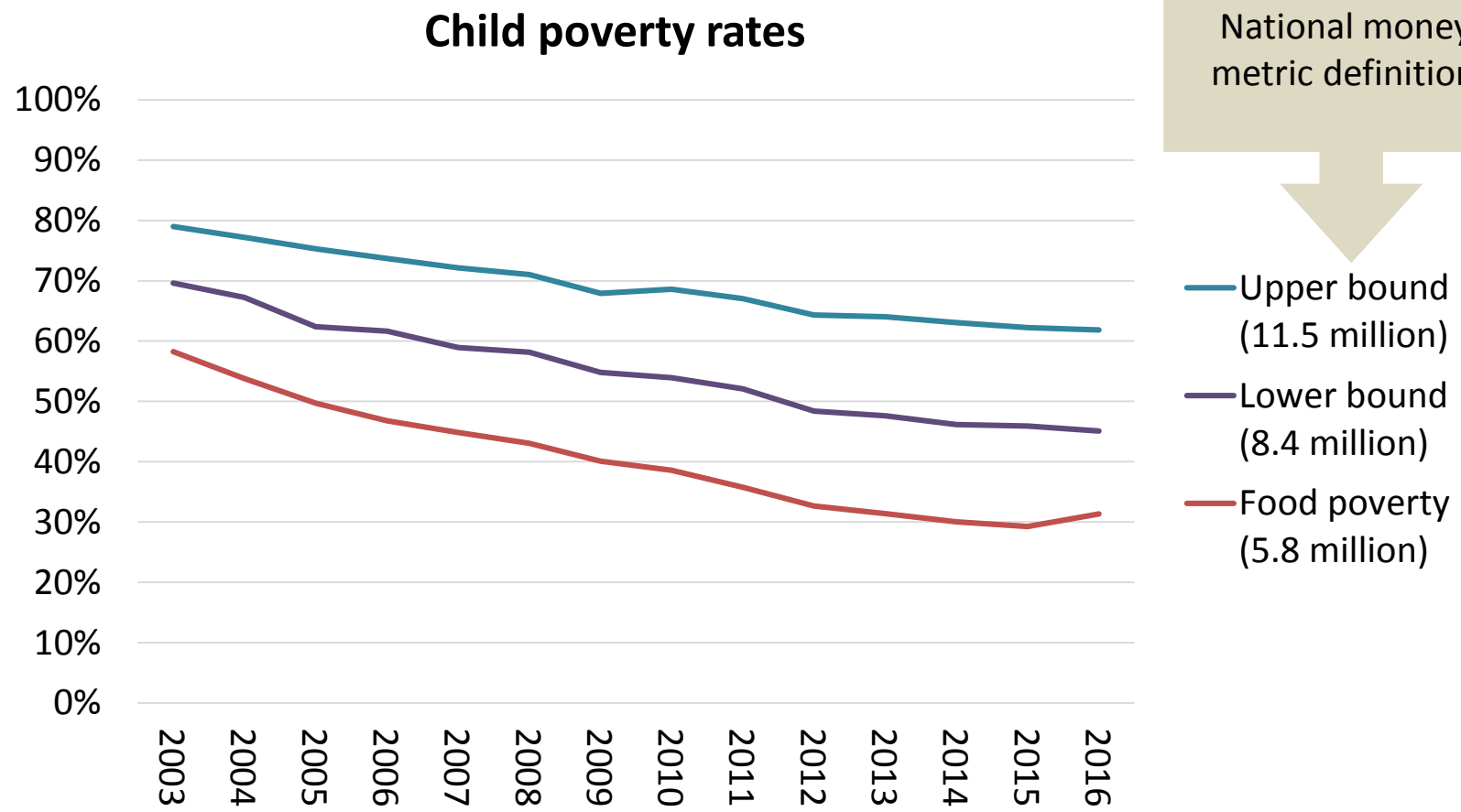
Measuring income poverty

- Still no official national poverty line. Statistics SA proposes 3 poverty lines.

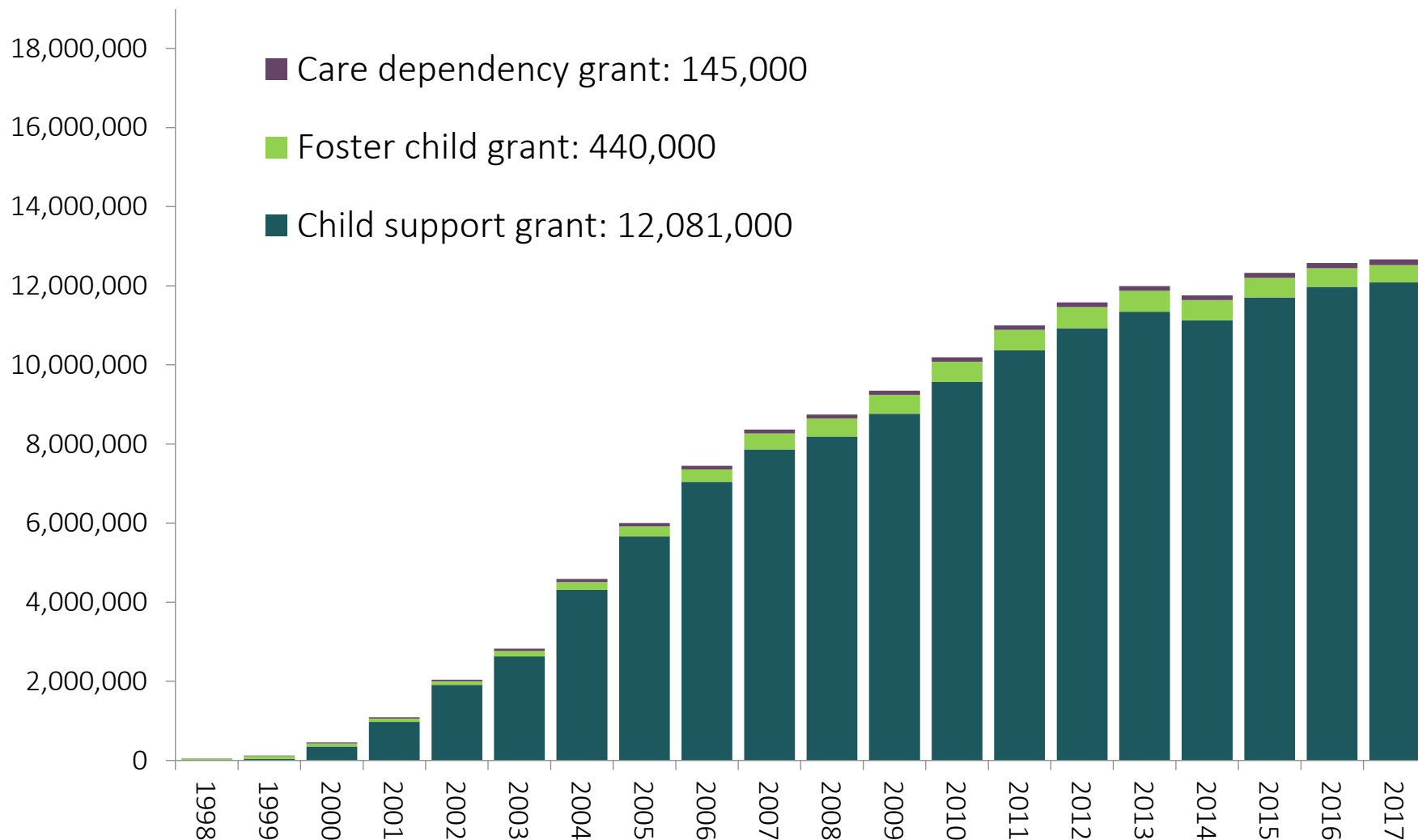- Govt commitment to eradicate lower-bound line poverty entirely.

2016 values US$ PPP

Upper bound	**$177/mth**	**Minimum required for basic food and non-food components.**
Lower bound	**$114/mth**	**Includes basic food and non-food components, but insufficient to meet both: people must sacrifice food in order to afford non-food items.**
Food poverty	**$75/mth**	**Cost of minimum energy requirement (2100 calories daily) – no other consumption or costs.**
International	$1.25/day $1.90/day	Severe poverty – not appropriate for SA?

1 NO POVERTY

By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
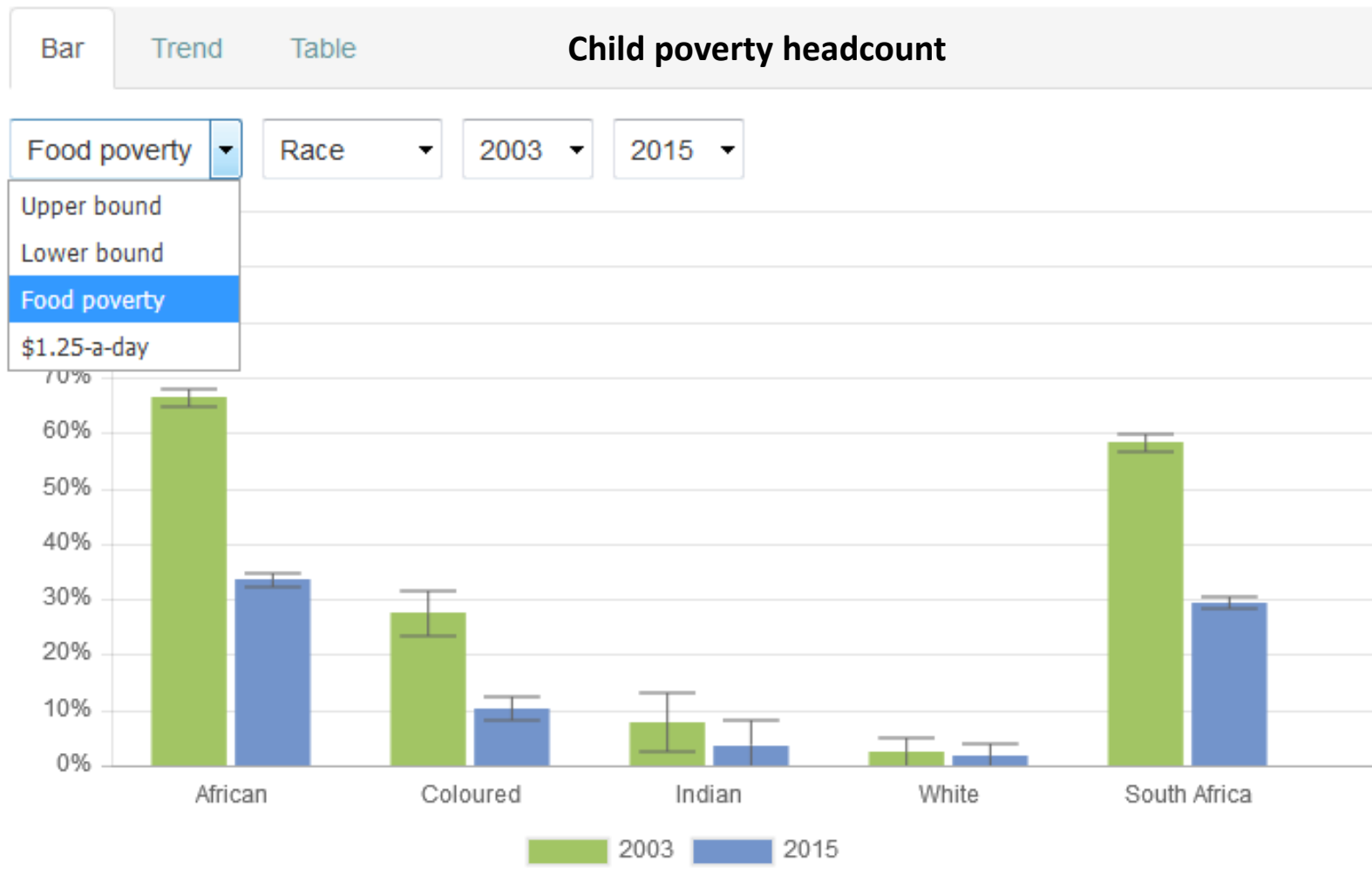
Child poverty rates

National money-metric definitions

— Upper bound (11.5 million)

— Lower bound (8.4 million)

— Food poverty (5.8 million)

Own calculations from General Household Survey 2003 - 2016

Progress in social assistance (grants)

Source: South African Social Security Agency

Persistent racial inequality

Inequality in family arrangements

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School attendance – not interesting!

Age-appropriate progress: better

Children aged 10-11 who have passed Grade 3

Bar | Trend | Table

Grade 3 | Quintile | 2002 | 2015

Grade 3
Grade 9
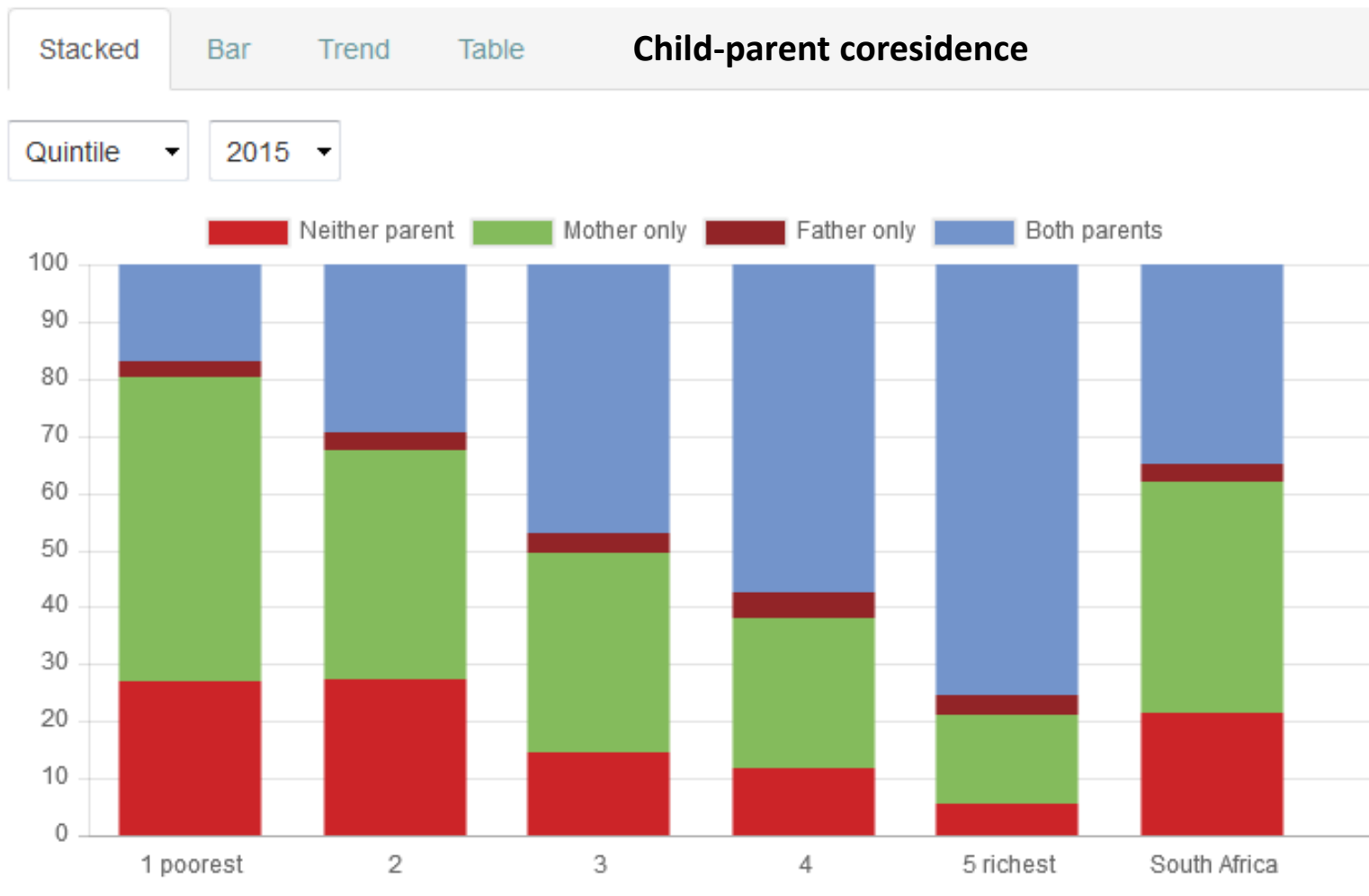
Data Source: Statistics South Africa (2003 - 2016) General Household Survey 2002 - 2015. Pretoria, Cape Town: Statistics South Africa. Analysis by Katharine Hall & Winnie Sambu, Children's Institute, University of Cape Town.
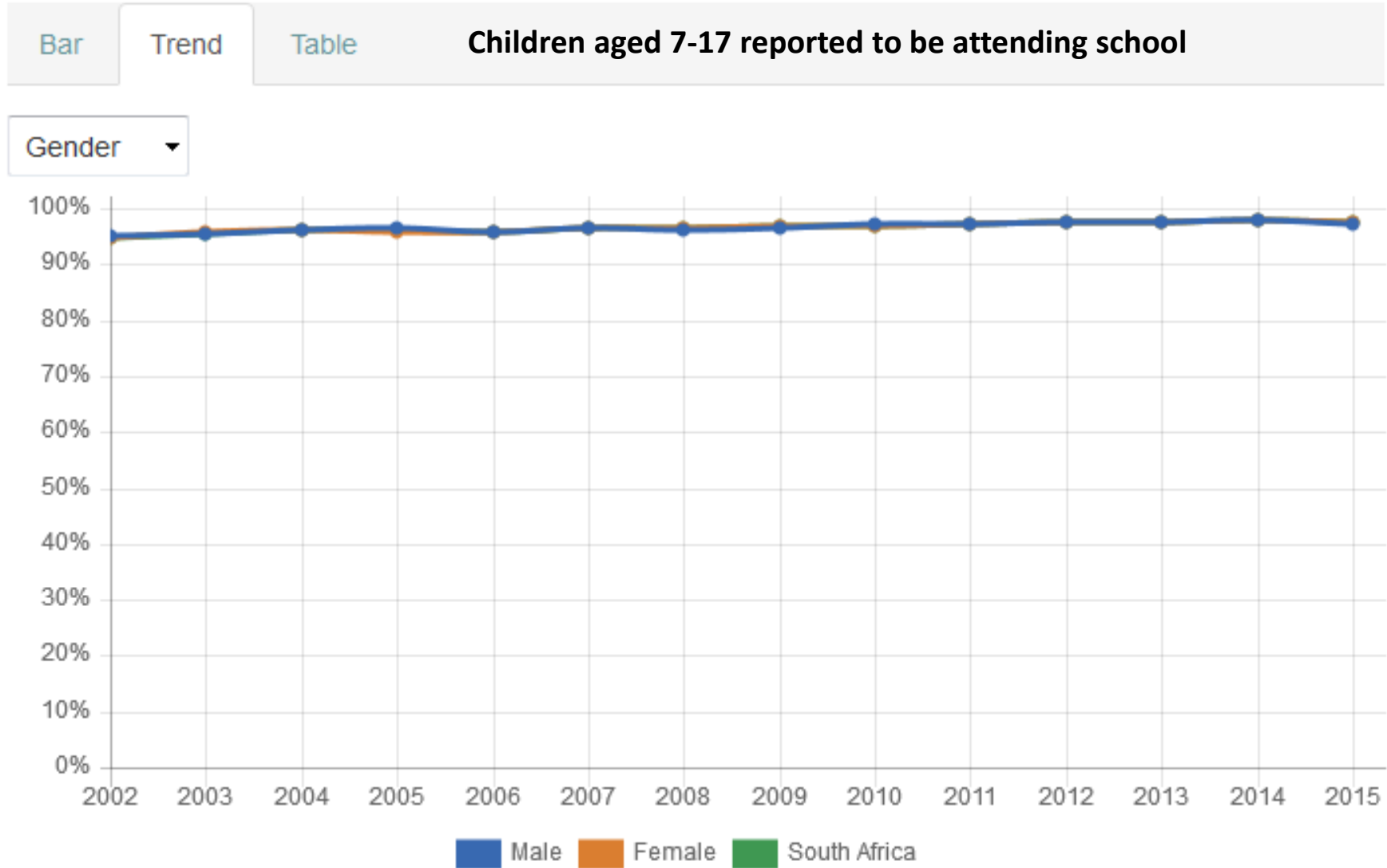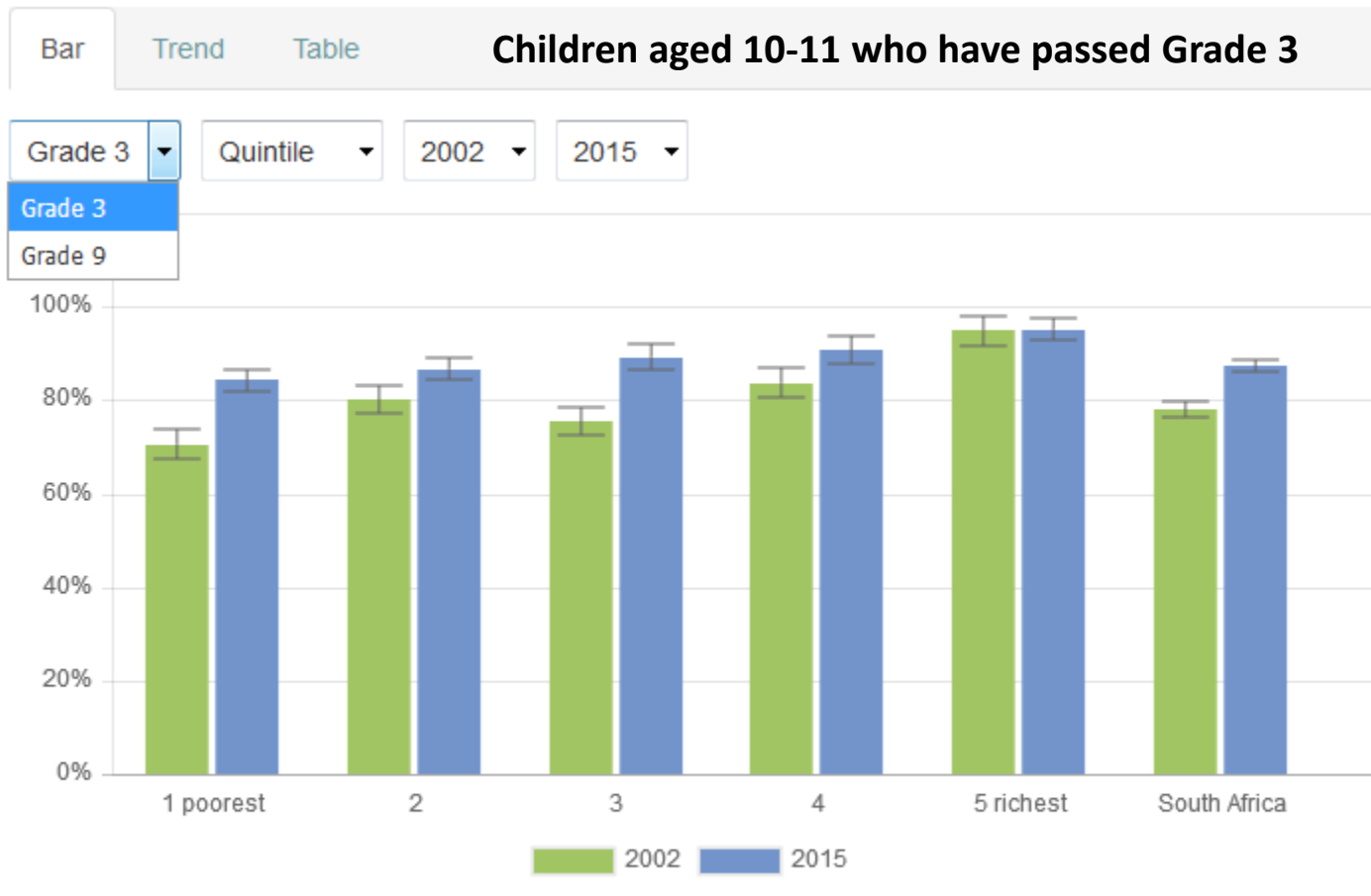
Age-appropriate progress: better

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"NEETS" – youth a key policy focus

Addressing inequality from birth

Essential components of a package of services for early childhood

Maternal & child primary health care

Nutritional support

Support for primary caregivers

Social services

Stimulation for early learning

Narrowing the gap in early learning

Children attending any early learning group facility (crèche / ECD centre / nursery school / school), by income quintile

Legend:
- Quintile 5 (richest 20%)
- Quintile 4
- Quintile 3
- Quintile 2
- Quintile 1 (poorest 20%)

X-axis: Age of child (0–9)
Y-axis: 0% – 100%
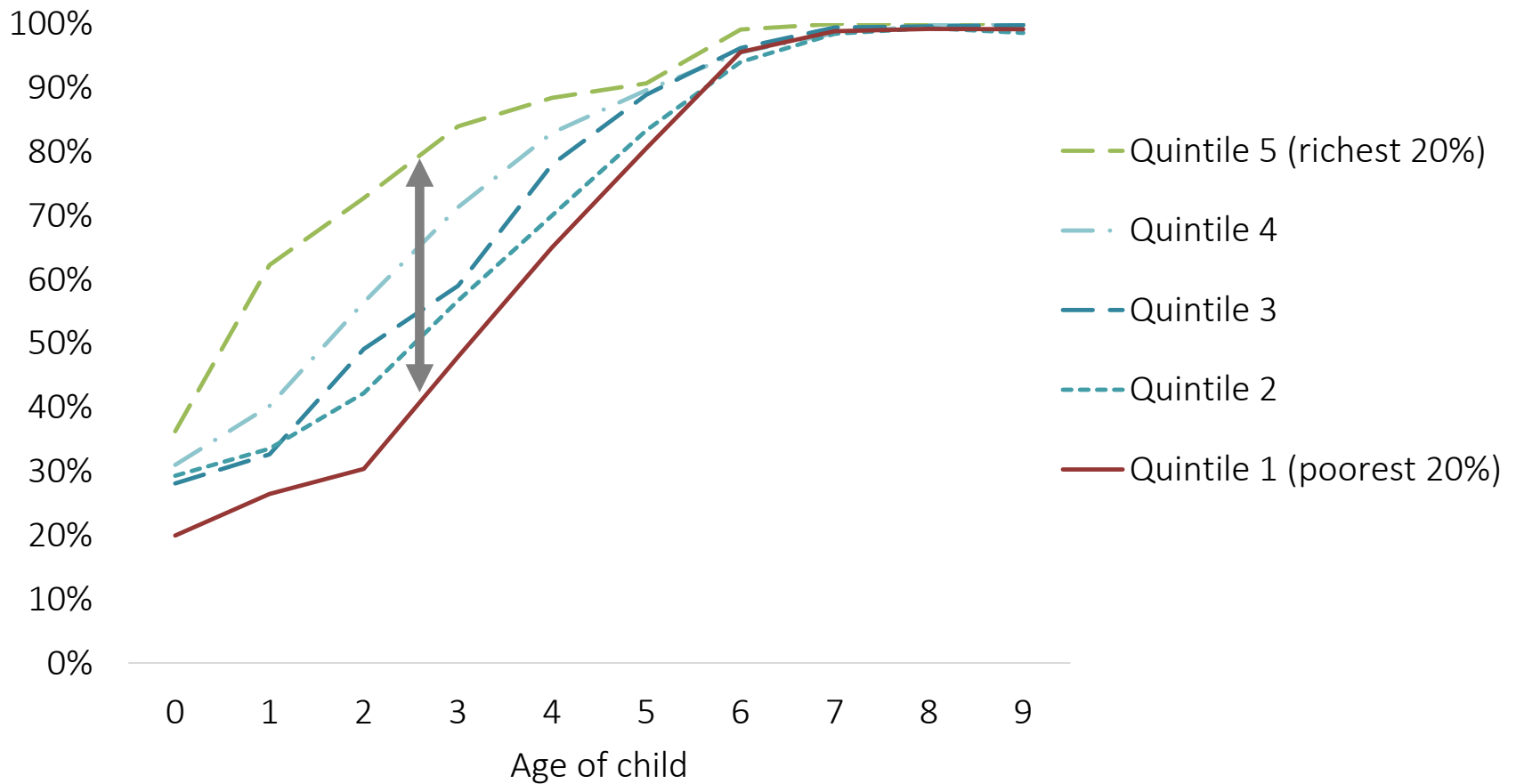
But what does it mean to be "attending" an ECD facility?

Own photo. Willowvale, Eastern Cape

Measuring quality in early learning

Direct Assessment (23 items)

- Gross motor development
- Fine motor coordination & visual motor integration
- Emergent numeracy & mathematics
- Cognition & executive functioning
- Emergent literacy & language

Teacher & Direct Assessment

- Social & emotional development & awareness
- Approaches to learning (persistence, attention & concentration)

Teacher Assessment only

- Self-care
- Social relations (adult & peers)
- Emotional functioning

Early Learning Outcomes Measure. Slide courtesy of Sonja Giese, Innovation Edge

Interpreting outcomes through indicators

What is assumed to be a beneficial outcome?
What is the spectrum of possibilities implicit in the definition?
What qualitative measures can enhance the indicator?

"Formal" housing

"Traditional" housing

Own photos. Centani, Eastern Cape

Interpreting trends through indices

Unpacking composite indices into stand-alone measures can help with interpreting trends and policy challenges

Living environment deprivations for children 2002 – 2016

Sanitation (child)

Average services

Water (child)

55%

45%

35%

25%

Adequate water minimum standard = piped water to dwelling or site (requires bulk infrastructure)

Water (child)

Adequate sanitation minimum standard = ventilated pit latrine (does not require bulk infrastructure)

Sanitation (child)

Own calculations from General Household Survey 2002 - 2016
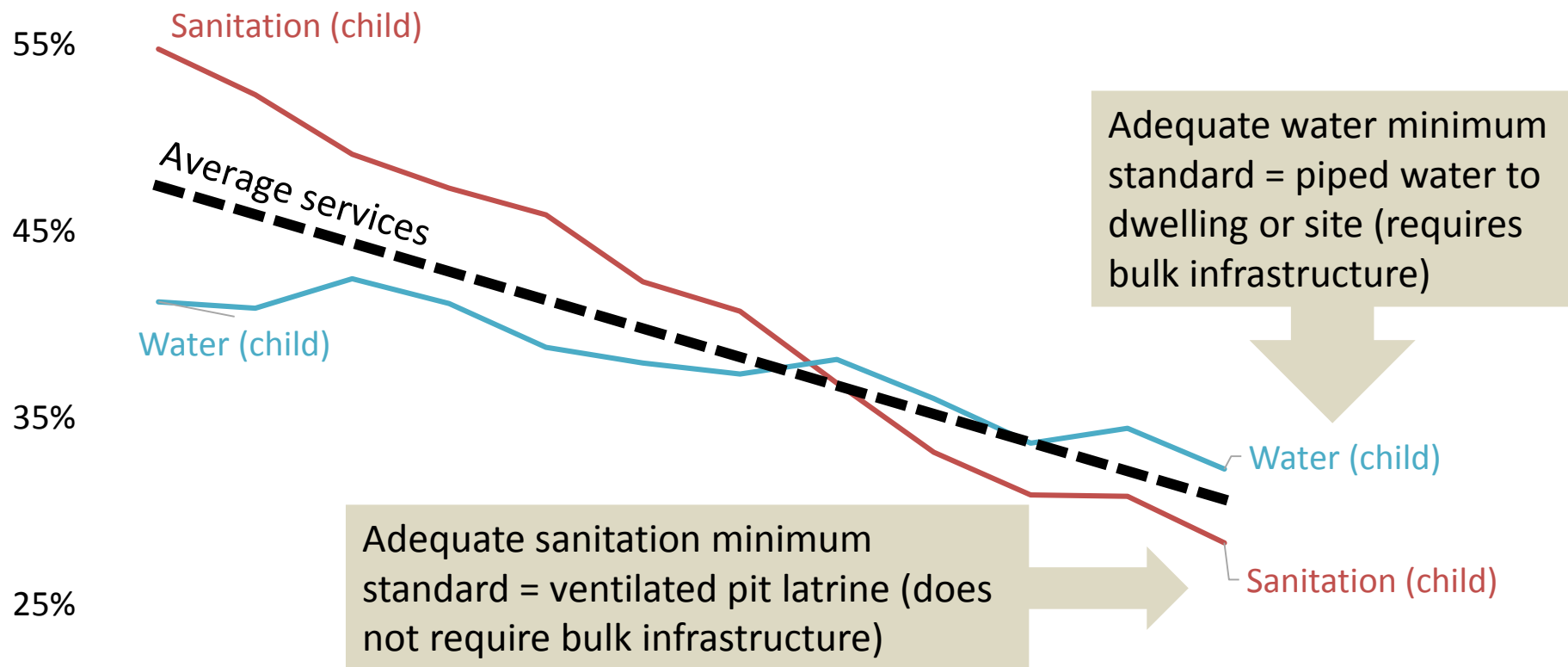
The Carnegie process

- Carnegie I – the problem of poor whites (1920s)

- Carnegie II – enquiry into poverty and development (1984)

- Towards Carnegie III – shifted the focus towards strategies to overcome poverty and INEQUALITY, and strategies to overcome them. (2012)

- The Mandela Initiative – action dialogues; grapping with policy and implementation challenges

THE MANDELA INITIATIVE
Dialogue and action to overcome poverty and inequality

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Drivers of structural inequality

- Structural economic decline

- Early childhood development failures

- Poor quality education

- Youth skills and unemployment

- Labour market failures and wage disparities

- Urbanisation, informality and spatial inequality

- Public transport

- Rural economy and land reform

- Health

- Sustainable development

- Social cohesion

Source: Draft Synthesis Report for the Mandela Initiative, January 2018