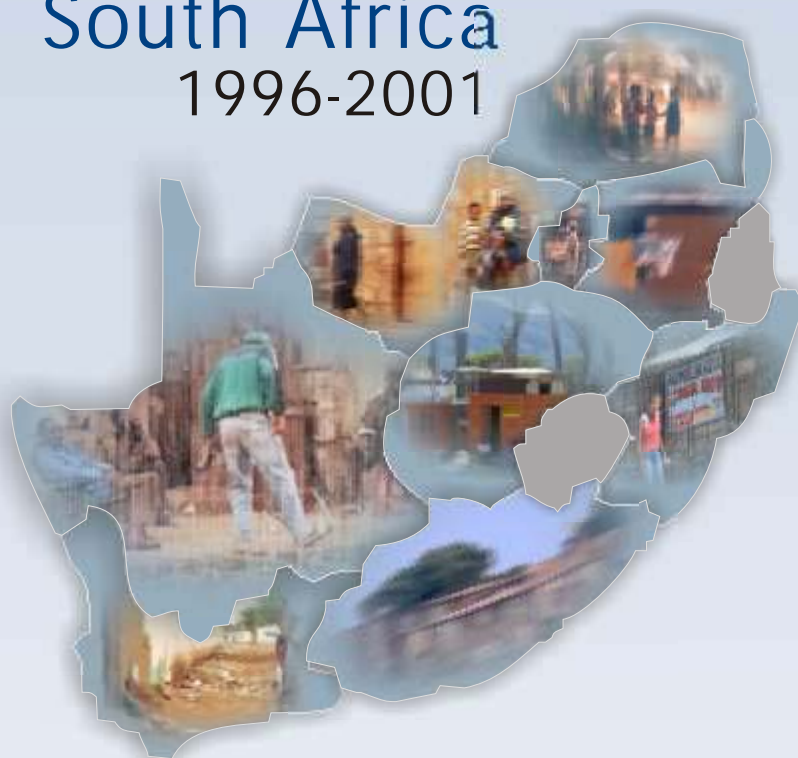


Dimensions
of
Poverty
in
Post-Apartheid
South Africa
1996-2001



A POVERTY STATUS REPORT



Development Policy Research Unit

School of Economics • University of Cape Town

Dimensions of Poverty in Post-Apartheid South Africa 1996-2001

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WHAT IS POVERTY AND HOW DO WE MEASURE IT?

"To be poor is to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled. But for poor people, living in poverty is more than this. Poor people are particularly vulnerable to adverse events outside their control. They are often treated badly by the institutions of state and society and excluded from voice and power in those institutions" (World Bank 2000, p. 15).

"From a human development perspective, poverty means the denial of choices and opportunities for a tolerable life" (UNDP 1997, p. 5).

"Policy debates have indeed been distorted by overemphasis on income poverty and income inequality, to the neglect of deprivations that relate to other variables, such as unemployment, ill health, lack of education, and social exclusion" (Sen 1999, p. 108)

Poverty takes on multiple dimensions and in essence describes a state of deprivation that prevents an individual from attaining some minimum "socially acceptable" standard of living. This state of deprivation can therefore be measured in a number of ways and according to various approaches.

The most commonly used method of profiling poverty in a society involves firstly establishing the minimum amount of money required to meet the cost of an individual's (or household's) basic needs, which would include a food and non-food component. This poverty line is then utilised in conjunction with specific measures of poverty to develop an appropriate description of indigence in the society. However, poverty lines are difficult to measure and the choice of line often imprecise. Furthermore, indices are often subjective and arbitrary in the choice of variables or weights used in their construction. Yet another way of comparing relative wellbeing of pre-defined groups is the poverty dominance approach. In this type of analysis, no poverty lines are used, but groups are measured against each other in terms of chosen indicators such as income levels or access to certain assets or services. Using income as an example, the dominance method graphically depicts the cumulative proportion of those with access to each and every income level, for each group being considered. If it is shown that one group's cumulative distribution always falls above or below another's, strong

statements can be made about relative wellbeing. For example, in the case of income, it could then be stated that one group is better off than another for each and every income poverty line chosen.

Measuring the number of poor according to a poverty line approach and considering changes over time requires accurate income or expenditure data. In South Africa the income and expenditure surveys (1995 and 2000) collect the relevant data. At present, there are a number of questions on the quality and comparability of these datasets, with the data quality of the 2000 survey currently under review. Given this, there is no recent dataset with which one can confidently carry out poverty counts for the country.

An alternative approach to measuring poverty, in the absence of data on income and consumption, is to use asset-based indicators. An asset index can be constructed using data on household durables (for example, owning a radio, refrigerator etc) and household characteristics (for example, the number of rooms in a house or sanitation facilities). Provided a sufficiently broad class of asset indicators is used, the index should reflect differentiation of living standards across households.¹ One of the advantages of using an asset-based index is that it avoids the problems of recall bias, seasonality and mismeasurement that can occur with income and consumption based measures of poverty.²

A well-known example of an index used to reflect differences in wellbeing is the United Nations Development Programme's Human Development Index (HDI). This measure is used to compare countries in terms of their achievements in attaining a certain standard of living proxied for by indicators of life expectancy at birth, adult literacy, a combined primary, secondary and tertiary schooling enrolment ratio and Gross Domestic Product per capita.

With the recent release of census 2001, we have at our disposal a wealth of data on a range of living standards indicators other than income/expenditure. Through comparisons of these indicators with those reported in census 1996, we can develop a picture of deprivation in 2001 and of changes in wellbeing over time. In this report we use mainly an asset-based approach combined in some instances with poverty dominance analysis.

¹ McKenzie 2003, p 9

² McKenzie 2003, p 3

Our choice of poverty indicators includes those commonly used in the literature on poverty analysis, the relevance of which to South Africa is strongly supported by the findings of the South African Participatory Poverty Assessment which contextualised the experience of poverty through the voices of South Africans themselves. Key themes to emerge from this piece of work revealed that in South Africa to be poor means to:

"Be alienated from your community, to be unable to sufficiently feed your family, to live in overcrowded conditions, use basic forms of energy, lack adequately paid and secure jobs and to have fragmented families" (May 2000, p5).

Furthermore, we consider vulnerability a key dimension of poverty and include indicators of low adequacy to deal with shocks in our analysis. Ultimately though, while the income poverty approach is widely used and extremely powerful, it does exclude both assets possessed and services accessed by individuals in the society. These rates of ownership and access invariably, are critical, additional descriptors of poverty in a society, and they will be the dominant analytical descriptor of poverty in this report.

The aim of this report is to provide a picture of asset and services deprivation, economic activity, and health and safety, and to illustrate the changes in these indicators from 1996 to 2001. We use the census data (1996 and 2001)

to analyse shifts in these indicators during the 5 year period, and in cases where data on shifts is not available, we attempt to create a broader picture for 2001 using more detailed data from the Labour Force Survey, September 2001. We analyse the indicators of economic and social wellbeing on the national level and for three provinces, namely, Gauteng, KwaZulu-Natal, and Limpopo. These provinces were chosen to illuminate the regional discrepancies in wellbeing that exist in South Africa, even on a provincial level. Gauteng was chosen as a proxy for the richest provinces (Gauteng and the Western Cape), Limpopo as representative of the poorest provinces (Limpopo, the Free State and the Eastern Cape) and KwaZulu-Natal as the more average performer.³

The report begins with a brief overview of the demographic and location-specific characteristics of the country in 1996 and 2001. Section 2 then considers key indicators of deprivation such as access to basic goods and services. Section 3 focuses on economic indicators of wellbeing and includes data on education, employment and unemployment. Sections 4 and 5 provide additional coverage of fundamental poverty indicators not included in the previous sections such as health status and crime. Finally, section 6 ends the report with some concluding remarks.

³ Prior research on income poverty has found that the Eastern Cape, Free State and Limpopo rank as the poorest provinces, with Gauteng and the Western Cape being the least poor. The remaining provinces are found between these extremes. The poverty rates and rankings for the provinces vary with the survey data and poverty lines used (see Borat et.al 2001; May 2000; Statistics South Africa 2000.)

SOUTH AFRICA: POPULATION, HOUSEHOLDS AND REGIONAL GDP

The analysis begins with a brief overview of the distribution of individuals and households by province. As can be seen in Table 1, the official population figure for 2001 was 44.8 million, rising from 40.6 million in 1996. This amounts to an increase of 10.4 percent over the 5 year period or approximately 2 percent per annum.⁴

The spatial distribution of the populace by the country's nine provinces proves illuminating particularly in the case of the trend data. In both 1996 and 2001, the province with the largest population was KwaZulu-Natal, followed by Gauteng, the Eastern Cape and Limpopo. In terms of population increases, Gauteng and the Western Cape have experienced the greatest growth as the former's population rose by 20 percent over the 5 year period and the latter's by 14 percent. The Eastern Cape, Free State and Northern Cape have experienced the smallest changes of less than 3 percent, or less than 1 percent per annum. Such stark differences in the provincial population growth rates reflect major shifts in the distribution of the population. This can largely be attributed to inter-provincial migration, with those in search of better economic opportunities moving to the relatively more prosperous regions.

Table 2 shows the distribution of households by province, the mean household size, as well as the proportion of households located in urban areas. The number of households increased by 23.7

percentage points from 9.1 million in 1996 to 11.2 million in 2001. Mean household size fell from 4.1 to 3.8 people. Interestingly, although KwaZulu-Natal is the largest province in terms of actual number of residents, Gauteng ranks as the province with the greatest number of households. The reason for this disparity is due to the difference in household size, with households significantly larger in KwaZulu-Natal (mean of 4.3 in 2001) compared with those in Gauteng (mean of 3.2 in 2001). Thus the share of households in Gauteng accounts for 23.7 percent of the total in 2001,

Table 1: Population and Share of Population by Province, 1996 and 2001

| | Population | | Share of Population | |
|---------------|------------|------------|---------------------|--------|
| | 1996 | 2001 | 1996 | 2001 |
| Eastern Cape | 6 302 525 | 6 436 763 | 15.5% | 14.4% |
| Free State | 2 633 504 | 2 706 775 | 6.5% | 6.0% |
| Gauteng | 7 348 423 | 8 837 178 | 18.1% | 19.7% |
| KwaZulu-Natal | 8 417 021 | 9 426 017 | 20.7% | 21.0% |
| Limpopo | 4 929 368 | 5 273 642 | 12.1% | 11.8% |
| Mpumalanga | 2 800 711 | 3 122 990 | 6.9% | 7.0% |
| Northern Cape | 840 321 | 82 2727 | 2.1% | 1.8% |
| North West | 3 354 825 | 3 669 349 | 8.3% | 8.2% |
| Western Cape | 3 956 875 | 4 524 335 | 9.7% | 10.1% |
| National | 40 583 573 | 44 819 776 | 100.0% | 100.0% |

Source: Census 1996; Census 2001

followed by KwaZulu-Natal (KZN) with 18.6 percent and the Eastern Cape with 13.5 percent. The Northern Cape is the smallest making up less than 2 percent of total households in 2001.

Table 2 also reveals the divergence between the rural-urban nature of the provinces. Gauteng and the Western Cape are predominantly urban, whereas Limpopo is mostly rural. KwaZulu-Natal falls between these extremes with a relatively even proportion of households found in both types of regions. The national average indicates that 62.4 percent of South African households are classified as being located in urban areas.

Table 2: Households, Share of Households, Mean Household Size and Area Type by Province, 1996 and 2001

| | Households | | Share of Households | | Mean household size | | % of households in urban areas | |
|---------------|------------|------------|---------------------|--------|---------------------|------|--------------------------------|--------------|
| | 1996 | 2001 | 1996 | 2001 | 1996 | 2001 | 1996 | 2001 |
| Eastern Cape | 1 332 342 | 1 512 590 | 14.7% | 13.5% | 4.3 | 4.1 | 40.4% | 43.0% |
| Free State | 625 033 | 733 138 | 6.9% | 6.5% | 3.8 | 3.6 | 72.5% | 78.8% |
| Gauteng | 1 964 108 | 2 651 596 | 21.7% | 23.7% | 3.3 | 3.2 | 96.6% | 96.5% |
| KwaZulu-Natal | 1 660 694 | 2 087 125 | 18.3% | 18.6% | 4.5 | 4.3 | 52.6% | 53.0% |
| Limpopo | 982 455 | 1 180 160 | 10.8% | 10.5% | 4.6 | 4.3 | 12.7% | 13.1% |
| Mpumalanga | 603 836 | 732 909 | 6.7% | 6.5% | 4.3 | 4.0 | 43.1% | 45.3% |
| Northern Cape | 187 088 | 206 837 | 2.1% | 1.8% | 4.2 | 3.8 | 68.2% | 76.4% |
| North West | 720 625 | 929 339 | 8.0% | 8.3% | 4.0 | 3.8 | 38.6% | 42.2% |
| Western Cape | 982 967 | 1 173 429 | 10.9% | 10.5% | 3.7 | 3.6 | 88.8% | 90.3% |
| National | 9 059 149 | 11 207 123 | 100.0% | 100.0% | 4.1 | 3.8 | 59.9% | 62.4% |

Source: Census 1996; Census 2001 and 10% samples

⁴ See Statistics South Africa 2003a

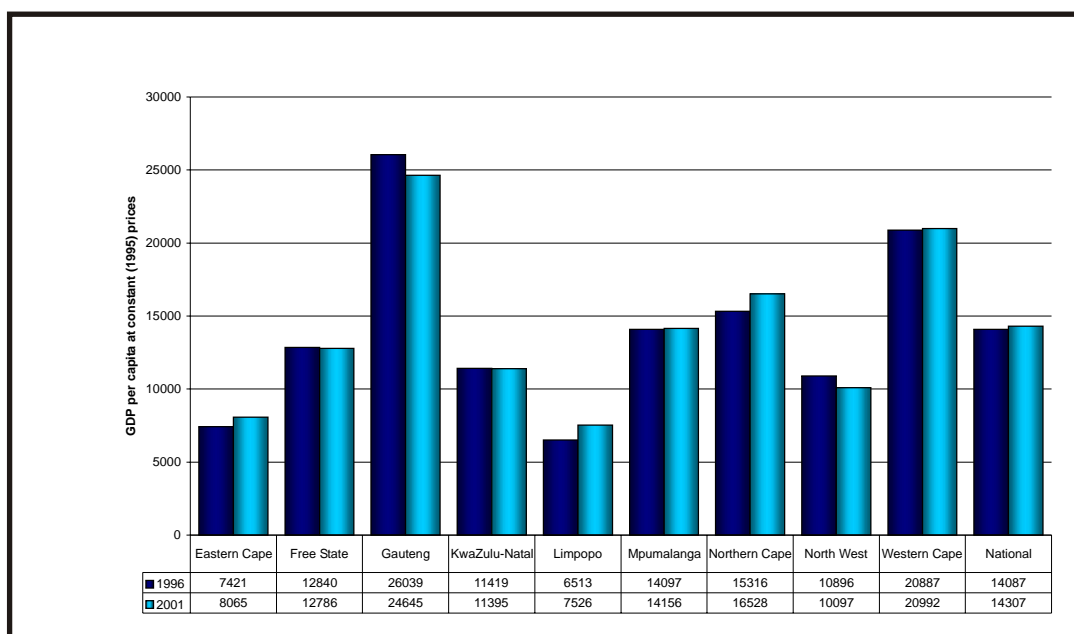
Considering gross domestic product (GDP) per capita per province highlights, yet again, the vast disparities between the regions.

Firstly, it is noteworthy that national GDP has increased only marginally in real terms over the period, at approximately 0.5 percent per annum. Consequently, small changes across the provinces over the 1996 to 2001 period are visible. The wealthiest provinces in GDP per capita terms are Gauteng and the Western Cape, with the poorest being Limpopo and the Eastern Cape. The relative wealth of Gauteng and the Western Cape is the driving force behind the population movements mentioned previously. In terms of GDP per capita, the other provinces find themselves in the middle of the spectrum. Even though Gauteng contributes the greatest share to national GDP, the increase in population in Gauteng has outstripped real GDP growth, thus leading to a decline in real GDP per capita in the province.

Such small changes in real growth per capita over the 5 years from 1996 to 2001 might suggest there would have been little space for improvements in standards of living of South Africa's poor over the period. Government policies aimed at improving the plight of those in need, such as increased utilities provision, may indeed improve access to basic services, but lack of economic opportunities like formal-sector employment might work in the opposite direction to keep people in a state of deprivation.

In what follows, the poverty situation in South Africa is explored using mainly an access to services and asset-based approach which considers access to basic goods and services as key indicators of wellbeing. Changes in the chosen indicators are investigated for the inter-censal period in an effort to highlight where improvements have been made or declines experienced. For this analysis national figures are considered, as well as those for three provinces, namely, Gauteng, KwaZulu-Natal, and Limpopo. Twenty percent of the population reside in Gauteng, the second largest province which is highly urbanised and has the highest levels of income generating productive activity. Limpopo is the fourth largest province in population terms but is mostly rural and relatively poor. KwaZulu-Natal has the largest population and has a relatively even rural-urban split. Furthermore, KwaZulu-Natal performs with mediocrity in terms of GDP per capita and on many grounds, lies close to the national averages. In many ways, the performance of Gauteng will be indicative of that of the Western Cape, which is also relatively well off. Limpopo figures will be similar to those of the Eastern Cape and Free State, with KwaZulu-Natal displaying more closely the characteristics of the intermediate provinces. The focus in this report is on indicators of economic wellbeing, vulnerability and opportunities to improve ones standard of living.

Figure 1: Gross Domestic Product per capita (at constant 1995 South African Rand prices) by Province, 1996 and 2001



Source: Census 1996; Census 2001; Statistics South Africa 2003b

ASSET AND SERVICES DEPRIVATION

In asset-based approaches to poverty analysis, there are a set of fairly standard indicators that are used to measure relative wellbeing. These range from the type of dwelling individuals reside in, access to basic services such as clean drinking water, refuse removal, sanitation, energy for cooking and lighting, to utilisation of assets such as refrigerators, telephones and radios. In this section where the data is available, we consider the shifts in many of these indicators from 1996 to 2001, at the national level and for our 3 selected provinces. In some cases, we provide more detail using descriptive 2001 data with the aim of creating a broader and more succinct picture of living conditions at this time.

Dwellings

To be poor is to lack shelter....

Housing is a key asset for the poor and can provide more than a place of shelter and a space for living. As an asset, a home is a potential source of income (for example, rooms can be rented), can serve as security for loans and as a place of work.⁵

Figure 2 shows the changes that have occurred in the types of dwellings occupied by households for the three selected provinces and nationally.

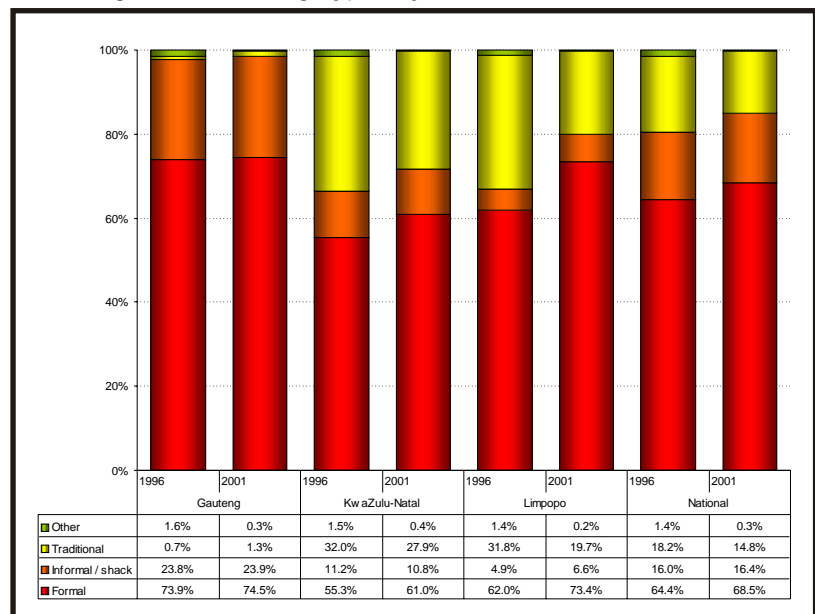
It can be seen that at the national level 68.5 percent of households lived in formal dwellings in 2001, up from 64 percent in 1996. The share of informal housing remained almost constant over the period at the 16 percent mark⁶, with the incidence of traditional dwellings declining from 18 percent in 1996 to 15 percent in 2001.

When considering the provinces in more detail, it can be seen that formal housing dominates the picture for Gauteng with almost three quarters of households residing in such dwellings. The proportion of informal housing significantly exceeds that of other provinces at 24 percent, with traditional

housing negligible. There has been little change in dwelling types from 1996 to 2001. KwaZulu-Natal has a more even spread of dwelling types and has experienced notable shifts since 1996. Specifically, the incidence of households residing in formal dwellings increased by 6 percentage points to 61 percent in 2001 with a corresponding 4 percentage point decline of traditional dwellings to 28 percent at the end of the period. Informal dwellings comprise 11 percent of the provincial total in both 1996 and 2001. It is in Limpopo, however, where the most dramatic relocation has taken place. In this, the poorest province in our analysis, the share of households in traditional structures declined from 32 percent to 20 percent with formal housing's share rising from 62 percent to 73 percent over the five year period.⁷ Given the rural nature of this province, it is quite remarkable that the proportion of formal dwellings compares with that in Gauteng and is significantly higher than KwaZulu-Natal. It is encouraging to note that, across the board, the falling incidence in traditional housing has been compensated for primarily by an increase in the incidence for formal, rather than informal housing.

Indications of dwelling quality provide a deeper insight into those households that are most vulnerable to shocks such as adverse weather conditions. The Labour Force Survey, September 2001, asked questions on the state of housing

Figure 2: Dwelling Types by Province, 1996 and 2001



Source: Census, 1996; Census, 2001

⁵ Moser 1996, p.9

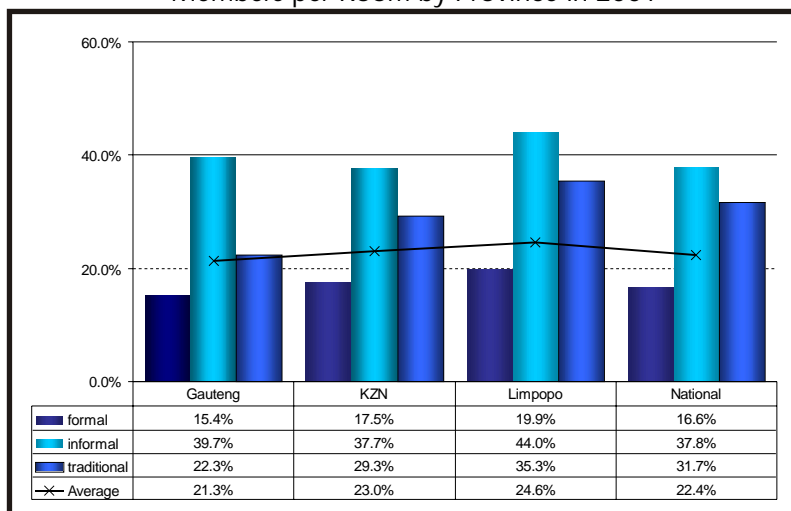
⁶ Note: The number of informal dwellings nationally rose from 1,453,013 in 1996 to 1,836,236 in 2001 (Census, 1996; Census, 2001 and author's own calculations.)

⁷ The structure of formal homes in Limpopo is such that 71% of these dwellings have walls made of brick with the remainder made of cement blocks or concrete. Eighty six percent of the roofs are constructed of corrugated iron or zinc. These structures are defined as formal according to the materials with which they are built. It should be noted that even though they are more durable than traditional homes, the structures are often simple shells which will scarcely be found with, for example, a flush or chemical toilet. (Labour Force Survey, 2001 and author's own calculations)

repair, specifically on the condition of dwellings roofs and walls. We calculated a measure of dwelling-vulnerable households, categorised as those homes with weak or very weak roofs or walls. Figure 3 shows that according to our measure, 19 percent of households in South Africa can be classified as being in poor repair and therefore as particularly insecure structures. As to be expected, formal dwellings are rarely in poor repair and since Gauteng has the highest proportion of formal dwellings, it seems reasonable to expect Gauteng to have better quality dwellings. Of note is the greater proportion of Limpopo's formal dwellings that are dwelling-vulnerable, reflecting differing quality of formal housing between the provinces. Important too, is that informal dwellings fair worse than traditional dwellings, although both types are relatively highly insecure. KwaZulu-Natal informal homes are of particularly poor quality, with 59 percent being classified as vulnerable.

Even with the incidence of vulnerability lowest amongst formal dwellings, nationally close to half of informal dwellings and over a third of traditional dwellings can be classified as vulnerable. This suggests that while the provision of formal housing is a key policy intervention, there remains the short-term subsidiary aim of improving the quality and safety of existing dwellings.

Figure 4: Percentage Households with 2 or more Household Members per Room by Province in 2001



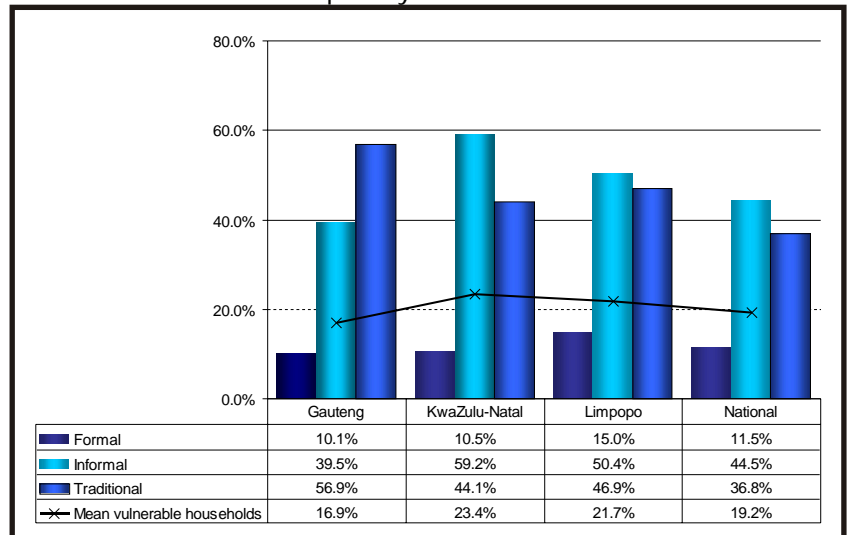
Source: Census, 2001

Note: Number of Rooms includes kitchens but exclude bathrooms and toilets

⁸ People per room is calculated as household size divided by the number of rooms where number of rooms include kitchens, but exclude bathrooms and toilets.

⁹ Data is not available to control for size of rooms.

Figure 3: Percentage of Households Residing in Dwellings in Poor Repair by Province in 2001



Source: Labour Force Survey, 2001

Another indicator of quality of life within the home is the level of overcrowding. Figure 4 shows the proportion of households with an average of two or more people per room.⁸ Informal dwellings are the most deprived, with overcrowding being most severe in these abodes⁹, thus further emphasising the vulnerability of these households. Although Gauteng performs the best and Limpopo the worst, there is little difference in the proportions across these provinces.

The above has illustrated, within the context of a three province overview of dwelling types, that firstly, formal dwellings are the dominant form of housing nationally and across the three provinces. Secondly, it is important to note that there has been an increase in the absolute numbers of informal dwellings. Finally, within the above context, the measure of household dwelling vulnerability reveals that it is informal dwellings which are disproportionately in disrepair and overcrowded, both nationally and across the three provinces.

Water

Access to clean drinking water and sanitation services provides a fundamental basis for promoting good health of the population. Figure 5 shows that nationally, gains have been made in water provision in the inter-censal years with access to piped water (in the dwelling, yard or public tap) increasing from 80 percent in 1996 to 84.5 percent

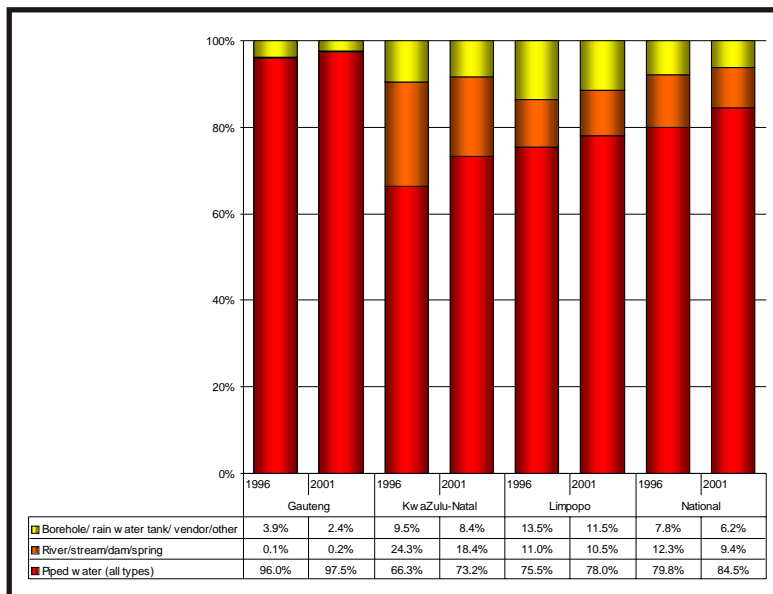
in 2001. Highly urbanised Gauteng performs exceptionally well with 97.5 percent of households utilising piped water as the main source. Interestingly, access to piped water in Limpopo exceeds that in KwaZulu-Natal. In fact, KwaZulu-Natal residents appear to be the most susceptible to using poor quality water with 18.4 percent of water obtained from rivers, streams, dams or springs in 2001. With a significant proportion of households in KwaZulu-Natal using such poor quality water, the likelihood of an outbreak of water-borne diseases such as cholera, is increased.

Although the biggest gains in access to piped water have been made in KwaZulu-Natal (a 6 percentage point increase), the most deprived province according to this indicator, the fact that over a quarter of the province's households still do not have access to piped water is suggestive of the challenge still facing the province.

When considering the time taken for a household to access its prime water source, it becomes evident that Limpopo is the poorest performer, followed by KwaZulu-Natal and then Gauteng.

Figure 6 shows the cumulative proportion of the households in each province in terms of the time taken to reach their main water source. It can be seen that nationally 85 percent of households have access to water within 14 minutes of their home. Furthermore, 96 percent of households are within a 44 minute proximity of their main water source. In Limpopo in 2001, 19 percent of households had

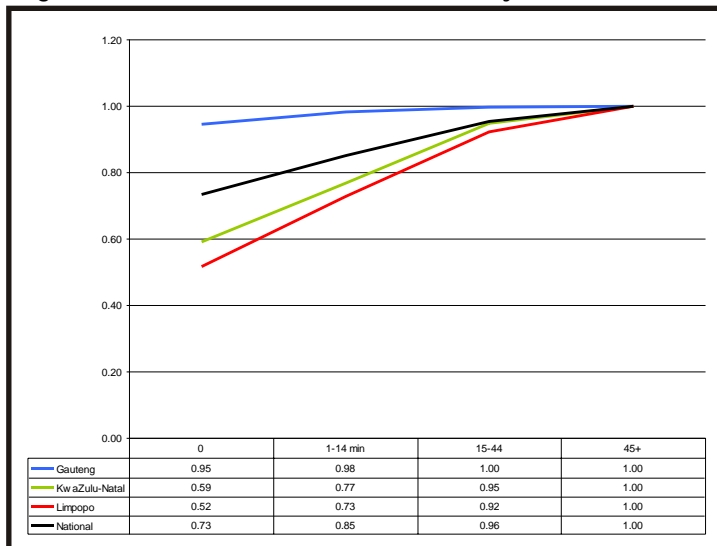
Figure 5: Main water supply for the household by Province, 1996 and 2001



Source: Census, 1996; Census, 2001

to spend between 15 to 44 minutes to reach their water source with a further 8 percent of households taking 45 minutes or more to get to water. KwaZulu-Natal fairs only marginally better with 18 percent of households requiring 15 to 44 minutes and another 5 percent spending more than 45 minutes to reach their water source. This figure shows clearly how Gauteng dominates both provinces and KwaZulu-Natal dominates Limpopo in terms of time to main water source. Such figures emphasise the plight of the poor in terms of time spent fetching basic essentials such as water, and why access to clean water near the home can make a fundamental difference to standards of living, and the ability to pursue paid economic activity.

Figure 6: Distance to Water in Minutes by Province in 2001



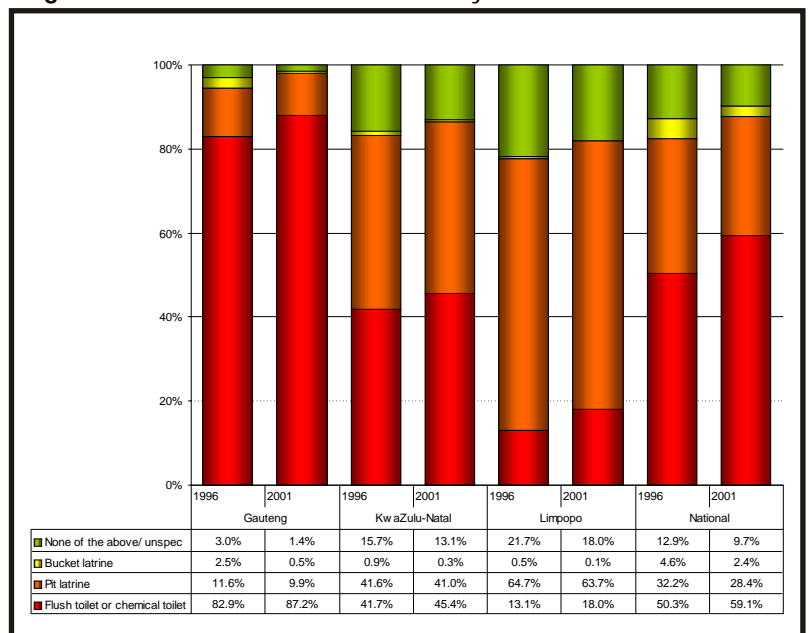
Source: Labour Force Survey, 2001

Sanitation

Improvements in sanitation have also been made with increases in flush or chemical toilets of 9 percentage points nationally. Similar gains (of 4 to 5 percentage points) have been made across the 3 provinces under consideration indicating that other provinces must have experienced superior advances.

The contrast between the provinces is stark with Gauteng boasting an 87 percent incidence of flush or chemical toilets compared with Limpopo's mere 18 percent in 2001. It is interesting to note that even though over 70 percent of Limpopo dwellings are classified as 'formal', only 18 percent of all households have a functioning toilet. The high and exceptionally high proportions of pit latrines in KwaZulu-Natal and Limpopo respectively reflect the rural nature of these provinces. Furthermore, the none or unspecified categories in these 2 areas are also high, suggesting that approximately 1 in 8 KwaZulu-Natal households and 1 in 6 Limpopo households have no toilet facility at all.

Figure 7: Sanitation for Households by Province, 1996 and 2001



Source: Census, 1996; Census, 2001

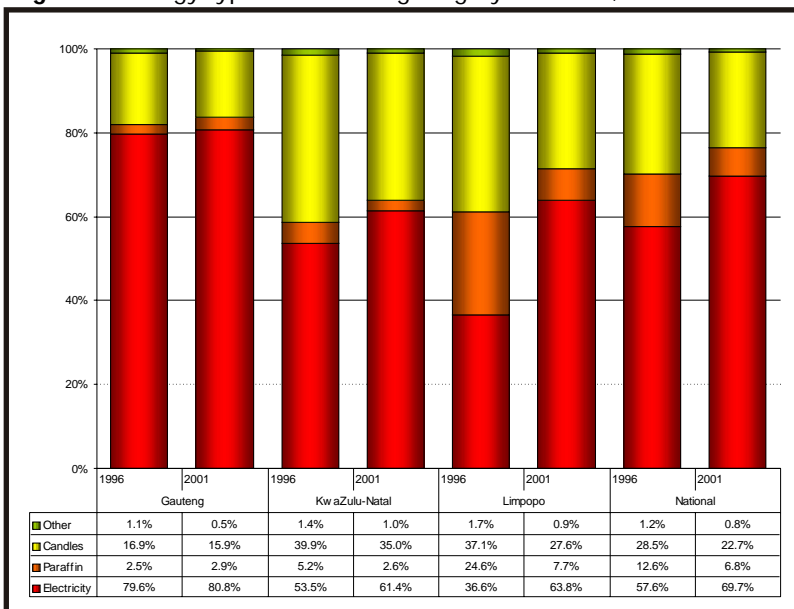
Energy types

To be poor is to use basic forms of energy....

The country's post-1994 electrification programme has been an intensive, and indeed high-profile one. The data below, in sum, confirms the tremendous success achieved in ensuring this improved access to electricity for lighting purposes. Nationally, while 58 percent of all households had access to electricity for lighting in 1996, within five years this figure had increased to 70 percent. Discounting of course the constraints faced by households in terms of user fees for this form of energy, it is clear that the gains from the electrification programme have been far-reaching.

Even with Gauteng's already high electricity usage rates in 1996, at 79 percent, there has been a marginal increase over the 5-year period, as 81 percent of households in 2001 reported access to electricity for lighting. This was reflected essentially in a one percentage point drop in candle usage. KwaZulu-Natal and Limpopo show significant shifts. In KwaZulu-Natal there has been an increase of 8 percentage points in households using electricity for lighting while in Limpopo where just over a third of households had access to electricity in 1996, 5 years later, just under two-thirds of households reported

Figure 8: Energy types used for Lighting by Province, 1996 and 2001



Source: Census, 1996; Census, 2001

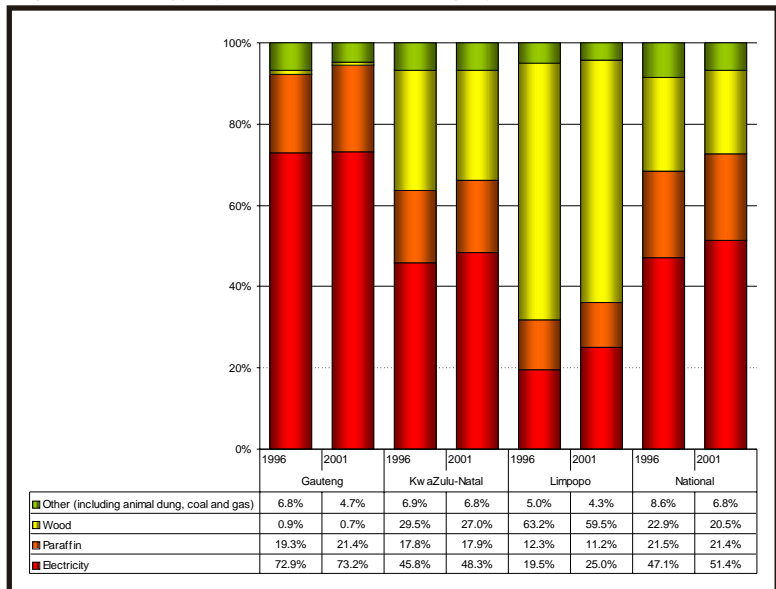
having access. As a result of this electrification, there were declines in paraffin and candles as an energy source, with the major shift being from paraffin. Clearly, for the more deprived provinces and for the country as a whole, the post-apartheid period reflects a process of a rapid expansion in the use of electricity as the preferred energy source for lighting.

It is interesting to note that energy choices for cooking are quite different to those for lighting. This will largely be a function of cost, availability, the effectiveness of the energy source to perform the given task and the asset requirements for cooking. Figure 9 shows the increase in electricity used for cooking nationally is a much lower 4 percentage points from 1996 to 2001 compared with the rise of 12 percentage points for lighting. It is also apparent how important paraffin is as an energy source for cooking in all three provinces and how significant wood is in the more rural areas.

Once again, the pattern in Gauteng has remained stable with paraffin rising by 1 percentage point to bring the 2001 figure to 21 percent. KwaZulu-Natal has also experienced only minor changes in its energy usage patterns with a slight decline in wood use being replaced by electricity. Yet again it is in Limpopo where the greatest gains have been made, although from a very low base. There has been a 5.5 percentage point increase in electricity used for cooking, mostly replacing wood. However, in this province wood is by far the predominant energy source for cooking with usage rates of almost 60 percent. Only one quarter of households in the Limpopo use electricity for cooking.

The more deprived are heavily reliant on paraffin and wood. The choice between these will be shaped by availability and price. For example, in 2001 67 percent of households that resided in traditional dwellings, which were predominantly in rural areas, used wood as their primary energy source for cooking. In contrast, 60 percent of households occupying informal homes, which were mainly in urban areas, used paraffin as their main cooking fuel. Wood will be more readily available in rural areas, where it is often collected by members of the household and therefore “free”. Paraffin will be more readily available in urban areas and “free” wood less so. Households that are heavily reliant on paraffin, will therefore also be heavily

Figure 9: Energy Types used for Cooking by Province, 1996 and 2001



Source: Census, 1996; Census, 2001

impacted on by fluctuations in the price of this good, which in turn moves with the international oil price. Indeed, Borat and Oosthuizen (2003) showed that great changes in the price of paraffin from 1999 to 2001 resulted in paraffin ranking as one of the 4 highest contributors to inflation for the 40 percent poorest households in the country.¹⁰ This indicates that those heavily reliant on this resource will be highly vulnerable to such prices shocks. Once again, this is foremost amongst individuals occupying informal dwellings.

Refuse removal

Access to a service such as electricity, in the initial phase, is undertaken in a fairly centralised fashion by the relevant parastatal – in this case Eskom. However, in the case of refuse removal, these fall under the purview of local government authorities. Effectively this type of service is highly decentralised making it harder for provincial and national government to intervene and shape these activities. In addition, the rates of refuse removal may also be intricately linked to the payment (or non-payment) of property rates within communities, so impacting on this particular service delivery. We report here the shifts that have occurred in the incidence and type of refuse removal.

At the national level, there has been a modest improvement in regularised refuse removal, with 55 percent of all households having refuse removed by a local authority at least once a week in 2001, up from 51 percent in 1996.

¹⁰ The poor here are defined in terms of household expenditure, and refer to the lowest spending 40% of Households in 1999.

The backlog though is clear in that just under a third of all households in the society still resort to using their own refuse dump. Of interest is the fact that local authorities ensure either regular waste removal – or almost no removal at all. Hence the share of households reporting waste removal ‘less often’ by local authorities is negligible across all provinces and at the national level.

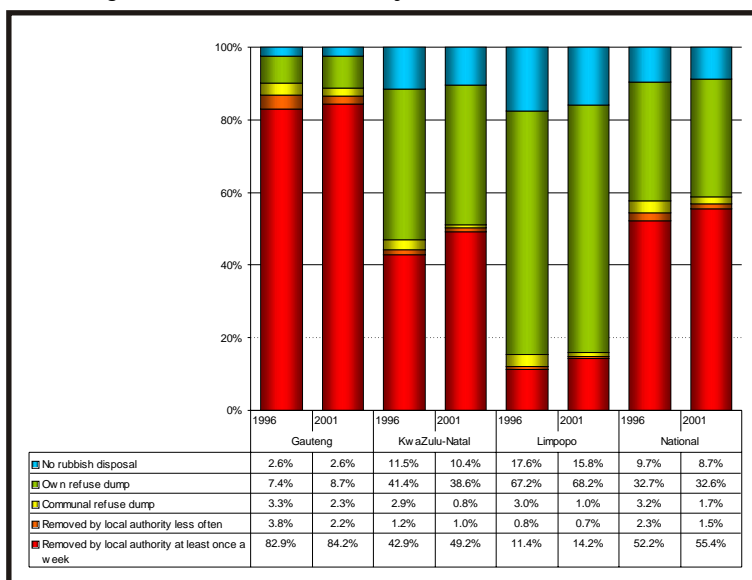
There was an existing high level of waste removal in Gauteng, and this has increased marginally over the 5-year period. KwaZulu-Natal shows the largest improvement in regular refuse removal rising from 42 percent in 1996 to 49 percent in 2001. Within Limpopo, while refuse removal by a local authority edged up from 12 percent to 15 percent of all households, those using their own refuse dump not only remains the dominant form of waste removal, but has also increased since 1996. Clearly then, the increase in the number of households over this period has meant that while local authorities have been responding, the response rate has not been adequate, as illustrated by the growth in own refuse dump rates.

Private Goods

Individual ownership of and household access to a number of basic goods are also indicators of variations in living standards. Figure 11 shows rates of access to or ownership of a range of goods by province for 2001.

We see that in 2001 most households have at least a radio and that television usage too is widespread, with access particularly extensive in

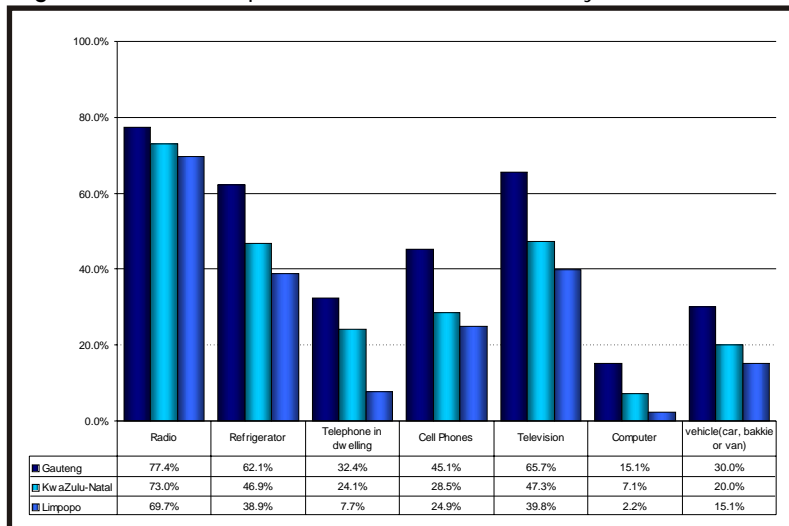
Figure 10: Refuse removal by Province, 1996 and 2001



Source: Census, 1996; Census, 2001

Gauteng (66 percent). Furthermore, 62 percent of households in Gauteng have a refrigerator, whilst only 39 percent of households in Limpopo have a refrigerator. The national average for refrigerator utilisation sits at 52 percent in 2001, a figure which seems particularly low when considering such a fundamental basic asset. This reflects the extent of deprivation country-wide. Possession of such assets is closely linked to access to electricity. The graph for telephone and cell phone access is extremely interesting with the exceptionally high uptake rates of the cell phone plainly apparent. In every province, household access to a cell phone exceeds that of access to a landline. In the extreme is Limpopo, with only 8 percent of households having a telephone in the dwelling, but 25 percent having a cellular telephone. Access to personal motorised transport is low in all provinces, with only 30 percent of households in Gauteng having possession of a vehicle such as a car, bakkie or van. In Limpopo this number is halved. Finally, we consider computers. A computer in the home is an important indicator of future opportunities in the workplace. These rates are low across the provinces with 15 percent of households in Gauteng and a mere 2 percent of households in Limpopo, having a computer.

Figure 11: Ownership of selected Private Goods by Province in 2001



Source: Census, 2001; Labour Force Survey, September 2001

ECONOMIC ACTIVITY, EDUCATION PRESENT AND FUTURE OPPORTUNITIES

*to be poor is to be illiterate and not schooled
And to lack adequately paid and secure jobs*

Having a decent quality education and access to an adequately paid and secure job are ways that ensure people have sufficient command over resources to maintain some socially acceptable standard of living. They determine current income earning and savings potential and shape future opportunities for the individual and those whom the individual supports. A robust relationship between educational outcomes and poverty is generally found, as those with little or no education are the worst off and those with the highest level education have access to the best paying jobs with the greatest benefits.

Educational Attainment

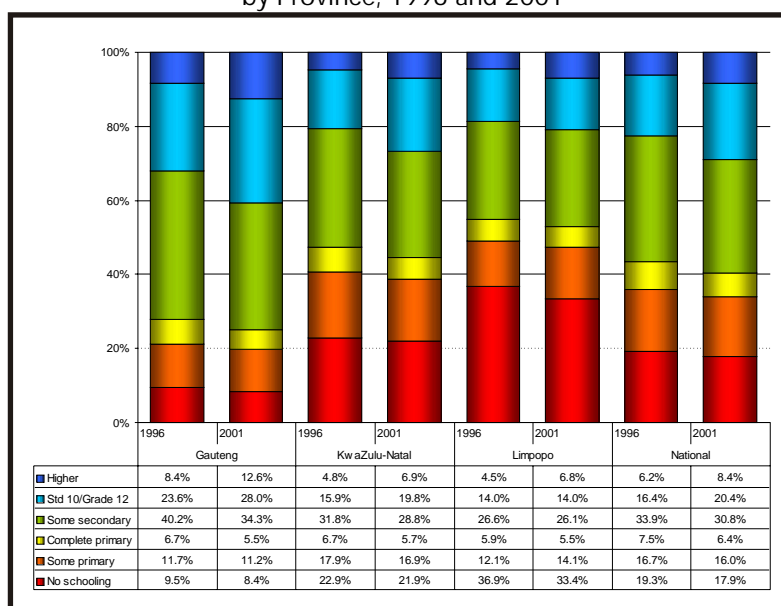
Since 1996, there has been a marked improvement in educational attainment throughout South Africa, with a distinct decrease in the proportion of individuals with no schooling and a significant increase in the proportion of individuals with Grade 12 or higher education. This is clearly evident in Figure 12 which compares the level of educational attainment in 1996 to that in 2001.

It can be seen that Gauteng clearly outperforms the comparator provinces with not only the highest proportion of individuals with a Grade 12 or higher education qualification in 2001 (some 28 percent and 12.6 percent respectively), but it has also seen the greatest increases in the attainments of these higher levels of education with increases of approximately 4 percentage points for each since 1996. These superior performance rates could be indicative of better education provision in Gauteng, but could also be linked to the inter-provincial migration previously mentioned, with those with higher

education and therefore better prospects of finding work being the ones more likely to migrate. Limpopo performs particularly poorly with approximately 33.4 percent of its population without any form of formal education and only 14 percent with completed secondary education in 2001. Furthermore, there has been very little improvement in these figures over the inter-censal period, with the only gains reflected in a less than 2 percentage point increase in the attainment of a tertiary qualification. KwaZulu-Natal has experienced slightly better improvements in Grade 12 completion but a similarly low increase in attainment of higher education qualifications.

Nationally, there was a 1.4 percent decline in the proportion of individuals with no schooling from 1996 to 2001. This improvement was especially significant for persons in the 20 to 30 year age group, which saw a reduction of 6.5 percent in the proportion of individuals without any formal schooling.¹¹ Furthermore, for Limpopo the proportion of individuals in the 20 to 30 year age group with no schooling dropped from 32.4 percent in 1996 to 19.6 percent in 2001, indicating a combination of improved enrolment and grade progression rates amongst the youth. However, it is important to bear in mind that these figures do not reflect differences or improvements in the quality of schooling, which is a key concern.

Figure 12: Educational Attainment of Population over 20 Years Old by Province, 1996 and 2001



Source: Census, 1996; Census, 2001

¹¹ Source: Census, 1996; Census, 2001

Industry of Employment

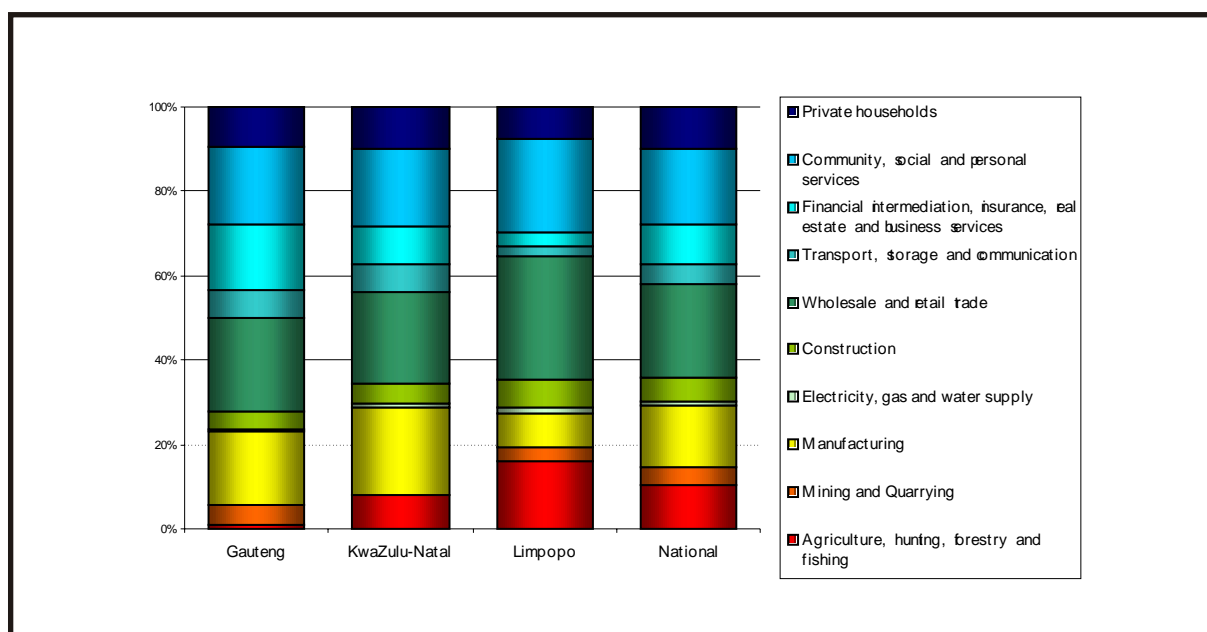
There is a close link between educational attainment, the type of work an individual is engaged in and the associated earnings potential. Figure 13 illustrates the share of individuals in employment by industry type for the three provinces and the country as a whole for 2001. It can be seen that the relative importance of different industries as providers of employment differs substantially across the provinces, reflecting to some extent the differences in the rural-urban nature of these regions and the differing GDP levels.

The total number of employed at the national level in 2001 was estimated at approximately eleven million. Gauteng accounts for about 25 percent (approximately 2,8 million) of total employment, whilst KwaZulu-Natal accounts for 18 percent (approximately 2 million) and Limpopo a mere 8 percent (approximately 870 000) of the employed.

Nationally, it is evident that the *Wholesale and Retail Trade* sector is the main provider of employment with 22 percent of the employed found in this sector. *Community, Social and Personal Services* and *Manufacturing* follow in importance accounting for 18 percent and 15 percent of national employment respectively.

This pattern of the 3 dominant sectors holds for Gauteng which is also characterised by a relatively high share of employed found in *Finance and Business Services* and minimal involvement in *Agriculture* (including hunting, forestry and fishing) compared with KwaZulu-Natal and Limpopo. The importance of the *Finance and Business Services* sector in Gauteng is highlighted by the increase in its share of employment from 10.1 percent in 1997¹² to 15.5 percent in 2001. In KwaZulu-Natal and Limpopo, *Wholesale and Retail Trade* also stands as the largest employer but in KwaZulu-Natal, *Manufacturing* outweighs *Community, Social and Personal Services* in importance. *Manufacturing* accounts for only 8 percent of employment in Limpopo, a province in which *Agriculture* features as the third largest employer and comprises 16 percent of provincial employment. In addition, it is important to note that the share of employed in the *Services* sector (community, social and personal services) is considerably larger in Limpopo than in Gauteng or KwaZulu-Natal. The *Services* sector typically comprises of government employees such as teachers, and hence we can deduce that government is an important source of employment for individuals in Limpopo. Moreover, even though *Wholesale and Retail Trade* is the predominant employer in the Limpopo, the quality of employment in this sector differs significantly

Figure 13: Industry of Employment by Province in 2001



Source: Labour Force Survey 2001

Table 3: Skills Levels of the Employed by Province in 2001

| Skill Level | Gauteng | KwaZulu-Natal | Limpopo | National |
|----------------|---------|---------------|---------|----------|
| Highly skilled | 26.3% | 23.1% | 18.8% | 21.1% |
| Skilled | 51.4% | 49.5% | 45.9% | 50.8% |
| Unskilled | 22.0% | 27.4% | 35.1% | 27.9% |

Source: Labour Force Survey 2001

by province. In Gauteng, for example, 65.6 percent of Wholesale and Retail employment is found in the formal sector whereas in Limpopo this figure is 36.1 percent thus indicating that almost two thirds of jobs in Wholesale and Retail in Limpopo are informal and will, in many cases, be highly insecure.¹³

The skills profile of the employed by province gives further indication of variations in earnings potential for those that do have work. Table 3 shows unsurprisingly that it is Gauteng that has the greatest proportion of its workers classified as highly skilled and Limpopo the least, with the opposite pattern holding for unskilled workers. The skills profile of the provinces, and the country as a whole, is exceedingly important when considering future employment opportunities and that South Africa's growth trajectory has been characterised by employment growth in favour of the more highly skilled since the 1970s.¹⁴ From this stance,

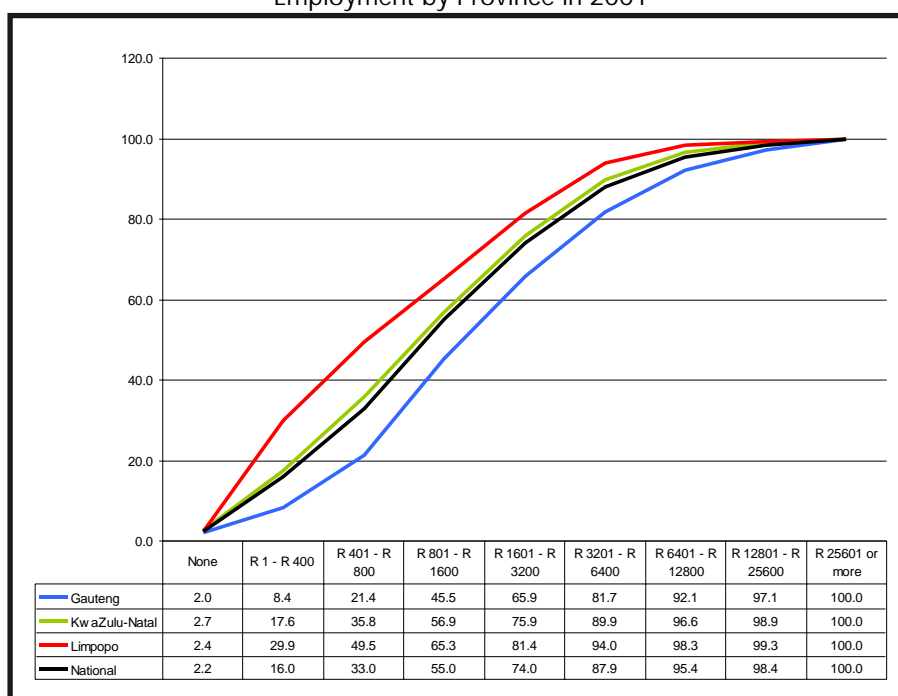
Gauteng is clearly the best off. However, the match between skills acquired by individuals and the skills required in the market cannot be ignored with general upskilling only translating into jobs if the skills are those the market demands.

Earnings from Employment

From this discussion on employment patterns, it can be inferred that Gauteng, with its substantially larger proportion of workers in *Finance and Business Services* and with the highest proportion of workers classified as skilled, and lowest share described as unskilled, will be the region where the highest average incomes are earned. This is indeed the picture that prevails, as is evident in Figure 14.

Figure 14 illustrates the cumulative distribution of income from employment for the three provinces under consideration and the country

Figure 14: Cumulative distribution of Monthly Income from Employment by Province in 2001



Source: Census, 2001

¹³ Statistics South Africa 2001, Labour Force Survey 2001

¹⁴ Borhat, H. & Hodge, J. 1999

as a whole. It reflects the proportion of the employed earning below or equal to the upper bound of each recorded income category. It suggests that at each and every income category, barring perhaps the very small proportion of the sample at the highest income categories, the share of employed earning below any given income category is always larger in Limpopo than for KwaZulu-Natal and always larger in KwaZulu-Natal than in Gauteng.

For example, the proportion of the employed earning R400 or less per month within Gauteng is about 8.4 percent, whereas 17.6 percent of employed individuals in KwaZulu-Natal, 16 percent of employed individuals nationally, and 30 percent of employed individuals in Limpopo earn less than R400 a month. Furthermore, the share of the employed earning below R3200 per month in Gauteng stands at 66 percent, while this figure is 74 percent nationally, 76 percent in KwaZulu-Natal and just over 80 percent for the Limpopo. This evidence indicates that the proportion of the working poor within Limpopo (depending on the low earnings line) is as much as twice the share found in Gauteng. Furthermore, however the “working poor” are defined, that is, for

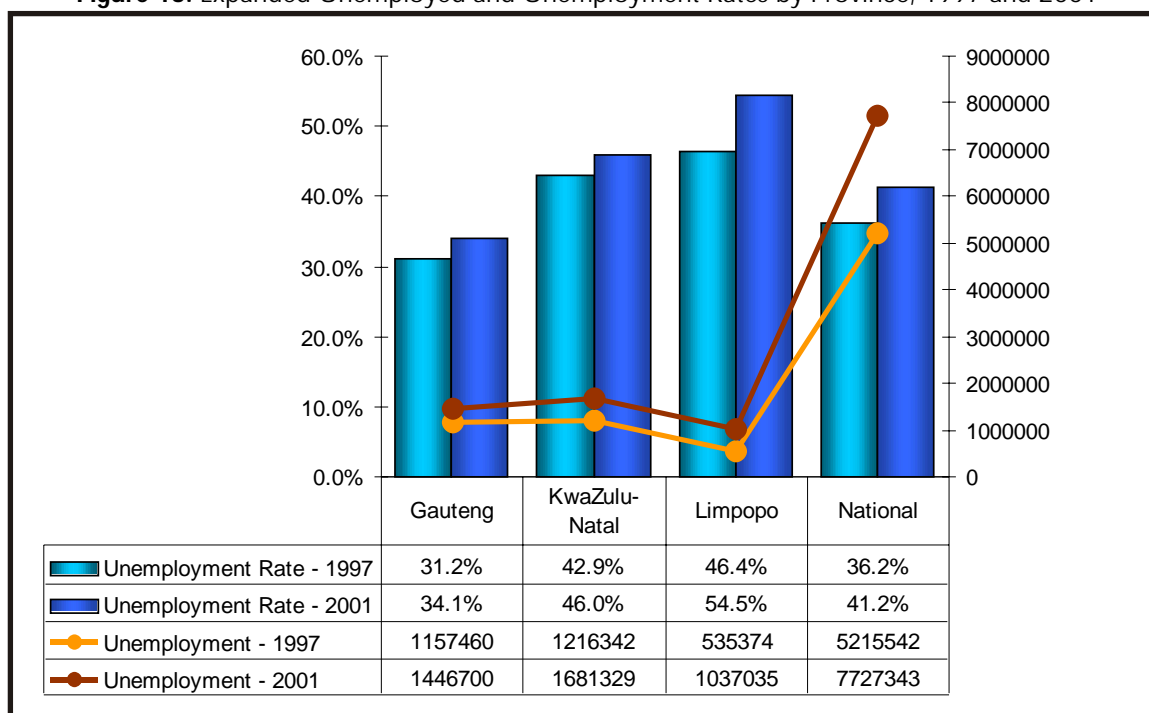
whatever low earnings line chosen, the proportion of Limpopo workers defined as poor will always exceed those in KwaZulu-Natal which will in turn always exceed those in Gauteng. The data reflect the stark differences in quality of employment, in how the labour market is remunerating its participants and in the relative vulnerability amongst the employed across the provinces.

Unemployment

To be poor is to lack adequately paid and secure jobs

Not only do those in Limpopo earn, on average, substantially less than those in both KwaZulu-Natal and Gauteng, but the economically active are also more vulnerable given more severe limitations on employment probabilities in this province. This assertion is supported by Figure 15 which shows the number of unemployed for our selected provinces and nationally, as well as the associated unemployment rates. The unemployment data used here refers to the expanded or broadly defined unemployed, who are those willing and able to work, but do not have a job.¹⁵

Figure 15: Expanded Unemployed and Unemployment Rates by Province, 1997 and 2001



Source: October Household Survey 1997; Labour Force Survey 2001

¹⁵ Statistics South Africa (1998) uses the following definition of unemployment as its official definition. The unemployed are those people within the economically active population who (a) did not work during the seven days prior to the interview, (b) want to work and are available to start work within a week of the interview, and (c) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview. The expanded unemployment rate excludes criterion (c). Among those included in the expanded but not the official definition of Unemployment will be discouraged job seekers (those who said they were unemployed but had not taken active steps to find work in the four weeks prior to the interview). In the face of severe constraints to employment opportunities, the expanded definition of unemployment is adopted in this report to capture the depth and severity of the unemployment problem.



Nationally, the figures are cause for great concern with the already extremely high unemployment rate of 36 percent in 1997 rising to 41 percent in 2001. Even in the province with the highest GDP per capita, the unemployment rate has increased from 31 percent to 34 percent over the 4 year period. Once again, it is likely to be in-migration of those seeking employment opportunities that has resulted in this increase. KwaZulu-Natal has significantly worse unemployment rates than Gauteng and has seen a similar rise from 43 percent to 46 percent. In fact, in absolute terms, it is KwaZulu-Natal that fairs the worst in that the highest number of unemployed are found in this province, relative to Gauteng and Limpopo. Limpopo does not only suffer from exceedingly poor employment prospects but the situation has worsened substantially in just 4 years, with an increase in the rate of unemployment from 46 percent to 54 percent. Whereas for many of the other indicators of poverty even though Limpopo is relatively the worst off, it has in the majority of cases experienced the greatest gains, in terms of unemployment this pattern is reversed. This is of deep concern when considering the extent to which growing joblessness can contribute to the entrenchment of household poverty.

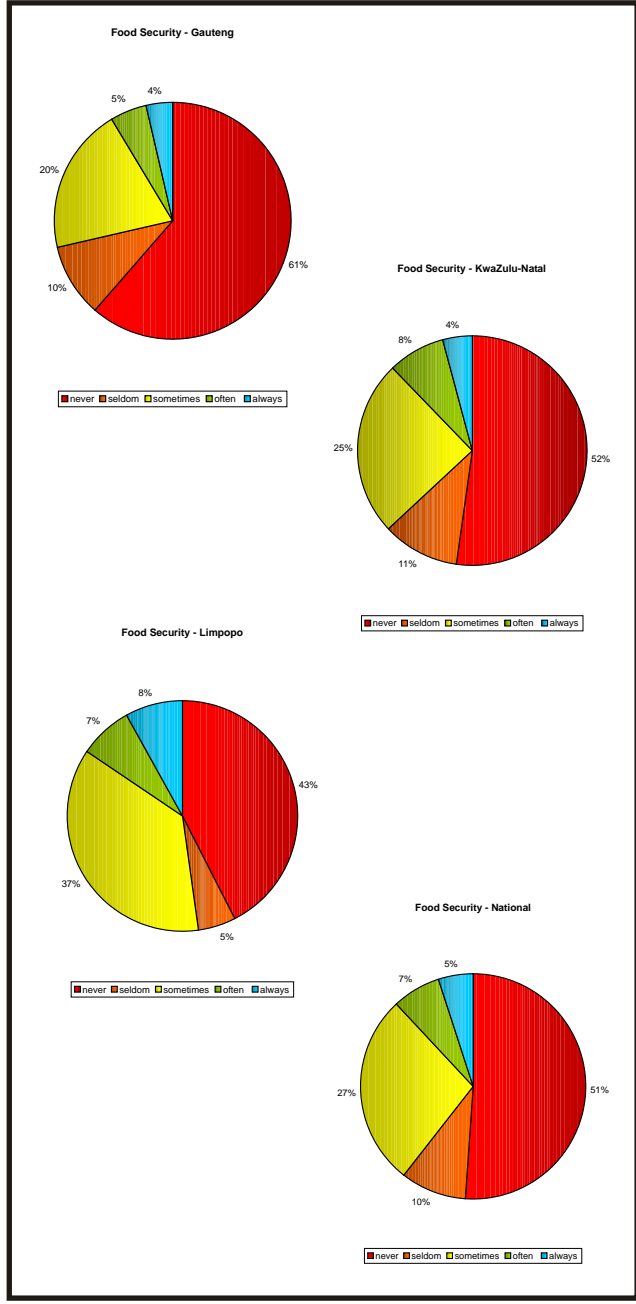
Unemployment and the ability to satisfy household food needs

To be poor is to be unable to sufficiently feed your family

The discussion and data on unemployment in South Africa highlights the vast numbers of the economically active population who are unable to find paid work. Clearly, income poverty will be severe for many households to which the unemployed are attached. The consequences of such high unemployment rates are immediately clear when considering food security. A question in the Labour Force Survey, September 2001 gives us some insight into whether households can satisfy their food requirements. Respondents were asked to answer the following question: In the past 12 months, how often, if ever, did this household have problems satisfying its food needs?¹⁶ The data in Figure 16, by province, match exceptionally closely to the unemployment data in Figure 15.

Nationally, 27 percent of households responded that they sometimes had problems satisfying their food needs in the last 12 months, with a further 12 percent indicating that they often or always experienced problems. This amounts to 39 percent of households in the country, accounting for 46 percent of the population, being in a situation where they could not satisfy their dietary requirements.

Figure 16: "In the past 12 months, how often, if ever, did this household have problems satisfying its food needs?"



Source: Labour Force Survey 2001 (Author's own calculations)

¹⁶ Note: While such a question is highly subjective, it does provide a proxy indicator for the degree of household food security.

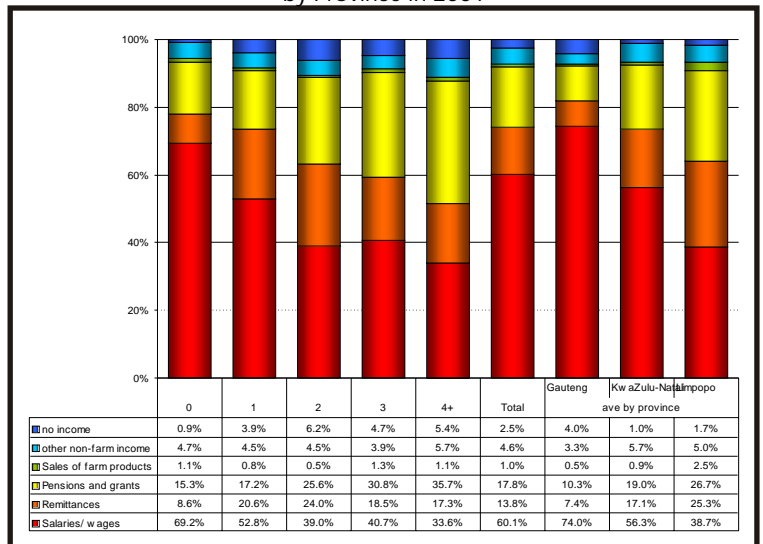
The differences by province are once again stark with Gauteng by far the best off and Limpopo exceptionally vulnerable with 37 percent of households sometimes having problems and an additional 15 percent often or always being unable to meet their food needs.

Upon closer analysis of the data, it was revealed that 53 percent of households that have at least one unemployed person fall into the sometimes, often or always category. Furthermore, those households that are food insecure but do have salaries/ wages as the primary income source, are for the most part home to earners that are predominantly in lower end jobs and/or in the informal sector.¹⁷ Such descriptive analysis further emphasises how labour market vulnerability translates into household vulnerability, measured in this specific case by a proxy for the degree of household food security.

Unemployment, Sources of Income and Household Formation

The consequences of unemployment reach beyond basic needs and start to impact on factors such as household formation as well. If one is unemployed, one will need to rely on others in order to survive. It would therefore be expected that the unemployed would attach themselves to households with regular income earners. In South Africa two critical sources of income, other than wages and salaries, are pensions and remittances. Figure 17 shows the household by the main income source of the household and the number of unemployed per household. It can be seen that nationally, salaries and wages are the primary income source for 60 percent of households, followed by pensions and grants that are the main source for a further 18 percent. Remittances are also significant at 14 percent. As the majority of the pensions and grants comprise old age pensions (and increasingly the child support grant), a picture emerges of high numbers of unemployed within a household being dependent on those who receive old age pensions. It is likely that the unemployed in fact

Figure 17: Household Formation by Number of Unemployed and by Province in 2001



Source: Labour Force Survey 2001 and authors' own calculations

move to households in which there are pension/grant recipients, with unemployment status then affecting household formation.

Problems of excessive pressure on the elderly arise from such situations in which limited resources need to be shared amongst more and more people. The ability of these households to cope with shocks may be reduced, thus increasing vulnerability. Indeed, excessive dependence can result in entire households being pushed into poverty.

Once again it is Limpopo, with the highest rates of unemployment and lowest income earners, for which dependency on grants is most evident with 27 percent of households being reliant mainly on pensions and 25 percent on remittances. The numbers of unemployed attached to households with these main income sources is exceptionally high in this province. In fact, across all provinces, the proportion of households with at least one unemployed member is extremely high; in Gauteng, 41 percent of households have at least one unemployed member, in KwaZulu-Natal the figure is higher at 46 percent and in Limpopo it is even higher at 49 percent of households. With such figures we are yet again made aware of the extent of household vulnerability nationwide.

¹⁷ Statistics South Africa 2001, Labour Force Survey 2001

Access to finance

A final aspect of this section is a brief look at the households' access to finance through different savings plans, private pensions and life insurance. Savings are often essential to fund investments and reflect the potential for households to stimulate future economic activity. Savings, pensions and life insurance are also extremely important safety nets which can be drawn upon in the event of a sudden shock, for example, a death in the household or loss of a job. Savings therefore cushion vulnerability. Table 4 shows access to a range of financial assets for 2001.

It is evident from the table that savings in a bank account is the most common form of savings nationally and across the provinces, followed by life insurance with 42 percent of households declaring they had savings in a bank account and with 26 percent having life insurance in 2001. Once again, large discrepancies across the provinces exist with 53 percent of households in Gauteng having money in a bank savings account as opposed to just one third of households in Limpopo. Interestingly, the proportion of households with life insurance is similar in Gauteng and KwaZulu-Natal at 27 percent and 25 percent respectively. Limpopo, yet again, falls far behind with only 13 percent of households with life insurance.

Also of note is the significantly higher proportion of households in KwaZulu-Natal

with savings in a stokvel (12 percent), compared with both Gauteng (6 percent) and Limpopo (7 percent). Unsurprisingly, private pensions are most common in Gauteng (18 percent), followed by KwaZulu-Natal (11 percent). Only 7 percent of households in Limpopo have savings in a private pension.

From Table 4 it is clear that access to financial assets is much better in Gauteng, the most economically prosperous province, than it is in KwaZulu-Natal or Limpopo. It appears that within the poorer provinces, the choice of savings type will be determined by available options. Hence, where stokvels are more developed and entrenched, as they are in KwaZulu-Natal, these would be preferable to what are usually extremely high interest bearing cash loans. In Limpopo, however, there may be fewer options of saving as part of a stokvel with residents potentially having little alternative but to access much-needed finance through a cash loan.

As with all the descriptors covered in this section we see once again that prospects for future economic opportunities and growth are overwhelmingly in Gauteng, and extreme household vulnerability is pervasive in Limpopo. The breadth and depth of access to savings through financial instruments indicates that it is households in Gauteng that are best equipped to mobilise savings for the purpose of investment and also have the greatest safety nets in place to lessen the effects of income shocks. Limpopo is extremely vulnerable in this regard with KwaZulu-Natal performing intermediately.

Table 4: Access to Financial Assets in 2001

| | Savings in a bank account | Savings in a stokvel | Private Pension | Unit trusts | Life Insurance |
|---------------|---------------------------|----------------------|-----------------|-------------|----------------|
| Gauteng | 52.8% | 6.2% | 17.7% | 6.7% | 27.4% |
| KwaZulu-Natal | 37.9% | 12.0% | 11.0% | 4.0% | 25.0% |
| Limpopo | 33.4% | 7.2% | 7.0% | 2.1% | 13.0% |
| National | 42.2% | 6.9% | 14.0% | 5.0% | 25.7% |

Source: Labour Force Survey 2001

HEALTH

*To be poor is to be sick and not cared for
To be vulnerable to adverse events outside your control*

The final indicators of poverty included in this report are those relating to health and safety. Improved health contributes towards productivity in the workplace and enhances educational attainment.

“A high prevalence of disease and poor health in a country harms economic performance while higher life expectancy, a key indicator of health status, stimulates economic growth” (Day and Gray 2002, p.428).

In considering health, our focus is on traditional indicators of health status such as life expectancy at birth, infant mortality rate and HIV prevalence. In addition, estimates of tuberculosis incidence rates are included (due to its relationship with HIV prevalence) and an estimate of access to health care in terms of distance.

There is a distinct relationship between economic performance and health status. A higher life expectancy is associated with economic prosperity, whilst poor health, proxied for by the infant mortality rate (IMR), is associated with detrimental economic performance. Figure 18 simultaneously illustrates life expectancy for 1996 and 2001, and the IMR for 1996 and 2002, for the three provinces and the country as a whole.

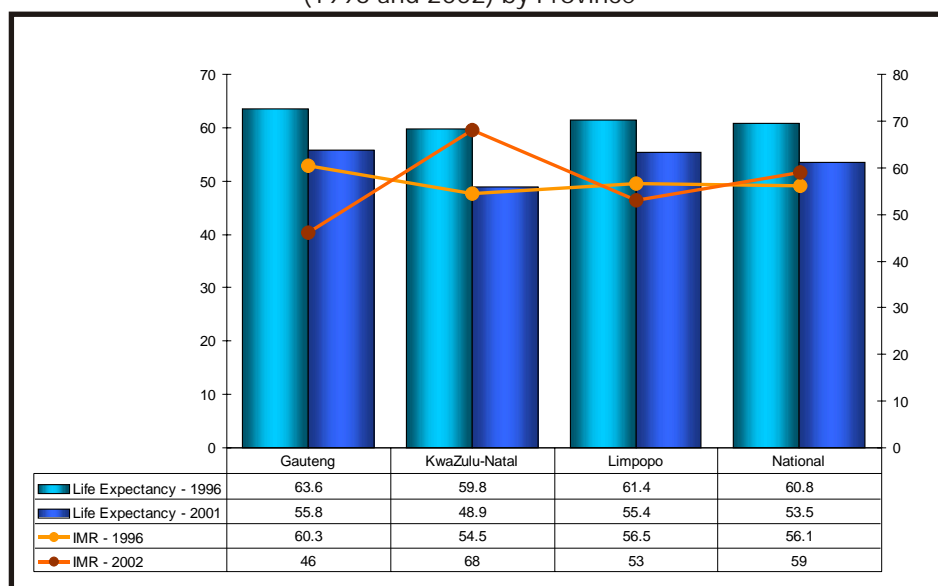
Figure 18 shows nationally, and for all provinces considered, that life expectancy¹⁸ has decreased dramatically from 1996 to 2001. This declining trend in life expectancy of South Africans is expected to continue until the year 2015.¹⁹ The drop in life expectancy is most stark in KwaZulu-Natal with the estimate at only 49 years in 2001, a drop of more than 10 years in only a 5 year period. Although this

province performs at the mean in terms of most indicators of poverty considered thus far, it is evident that on this fundamental indicator of wellbeing, the population of KwaZulu-Natal is severely disadvantaged.

In fact, the average life expectancy figures for South Africa appear to have little correlation with our previously accounted for indicators of economic wellbeing. The prior chasm between Gauteng and Limpopo, on nearly all previous measures, almost completely disappears in this instance. In 2001, the estimates of life expectancy in Gauteng and Limpopo are approximately 55.8 years and 55.4 years respectively suggesting that factors driving reductions in life expectancy estimates stretch far beyond access to basic goods and services and even health care. It is the projected devastating impact of HIV/AIDS that is driving reductions in these figures.

The other health indicator shown in Figure 18 is the IMR, which refers to the number of children less than one year old who die in a year, per 1000 live births in that year.²⁰ The IMR is a traditionally accepted indicator of health status and appears more closely related to health care services in South Africa than life expectancy. If the IMR is relatively high, it suggests that the level of health care in the region examined is not optimal. Figure 18 reveals that between 1996 and 2002, the IMR has decreased in Gauteng and Limpopo.

Figure 18: Life Expectancy (1996 and 2001) and Infant Mortality Rate (1996 and 2002) by Province



Source: Life Expectancy (South African Human Development Report 2003) IMR (Day and Gray 2002)

¹⁸ Life Expectancy at birth refers to the average number of additional years a person could expect to live if current mortality trends were to continue for the rest of that person's life (Day and Gray 2002, p.437)

¹⁹ South African Human Development Report, 2003, p.26-27.

²⁰ Definition obtained from the South African Health Review (Day and Gray 2002, p.437)



However, the gains in Gauteng are more marked indicating that health care services have improved significantly in this province. In contrast, the IMR has increased in KwaZulu-Natal from 54.5 deaths per 1000 live births to 68 deaths per 1000 live births. Once again it seems that the impacts of HIV/AIDS is driving this trend, and far outweighing any possible improvements in health care services in this province.

HIV/AIDS prevalence rates (among women surveyed at ante-natal clinics²¹) as well as the incidence of Tuberculosis or TB (which refers to the number of cases of the condition reported to the Department of Health per 100 000 population for that year²²) warrant further attention and are illustrated in Figure 19. TB and HIV are two of the most devastating diseases in the country and have been dubbed the “deadly pair” because they are known for activating and reactivating each other. According to the South African Department of Health, it has been revealed that HIV increases the chance of reactivating dormant TB infection from 10 percent to 50 percent during a person’s life per year.²³

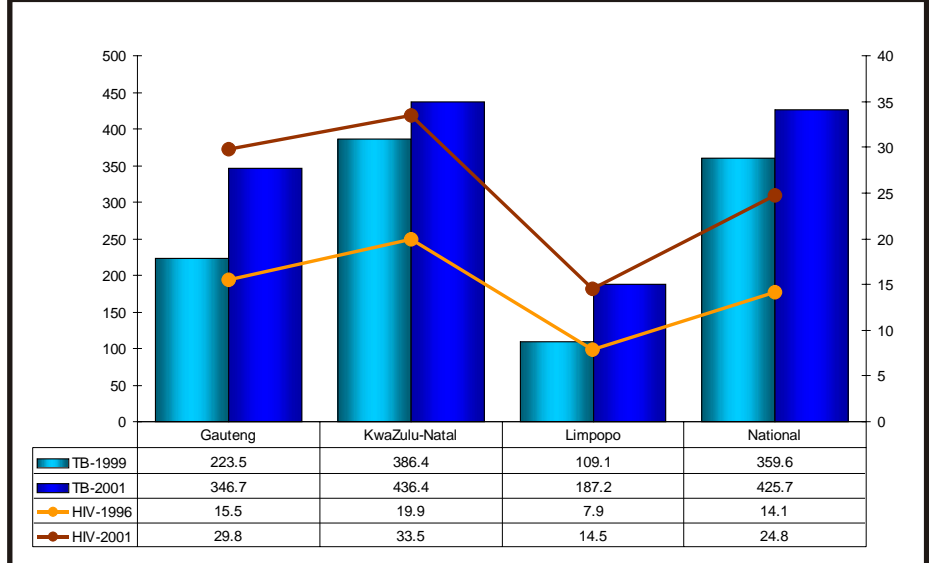
In terms of the TB incidence rate, Figure 19 clearly illustrates an increase in all the provinces considered from 1999 to 2001. This increase is strikingly evident in Gauteng where TB incidence rose from 223.5 in 1999 to 346.7 in 2001.²⁴ Furthermore, the TB incidence rate in KwaZulu-Natal mimics that of the country as a whole and is substantially higher than that in Gauteng and Limpopo. This suggests that there are other provinces in the country with a higher TB incidence rate that are driving the national average. Specifically, the Western Cape had a TB incidence rate of just over 800 in 2001. This can be explained by the coastal nature of the province²⁵ and also possibly in part to better captured data. In fact, it is important to bear in

mind that the real incidence of TB may even be higher than that estimated, due to low detection rates in many rural areas with poor laboratory services and/or overall low health service utilization rates.²⁶ It is therefore possible that the particularly low rates reported in Limpopo, which is mainly rural, are in fact greatly underestimated.

A similar pattern holds for HIV prevalence. Figure 19 clearly shows an increase in the prevalence of HIV infected individuals from 1996 to 2001. The increase in the prevalence rate is distinctly larger in Gauteng and KwaZulu-Natal than it is in Limpopo, and for that matter the country as a whole. This clearly indicates that Gauteng and KwaZulu-Natal are more susceptible to the HIV/AIDS pandemic and its devastating consequences. Health outcomes in KwaZulu-Natal seem bleak. The province is saddled with high levels of TB incidence and HIV prevalence, and an IMR estimate larger than the national average.

Interestingly, Limpopo, the poorest province on almost all other measures of poverty, has performed relatively well in terms of our chosen health indicators. Even if the data is poorly captured for this province, it seems possible that its deeply rural nature and the relative “isolation” of its population from the mainstream economy, may in fact be shielding it

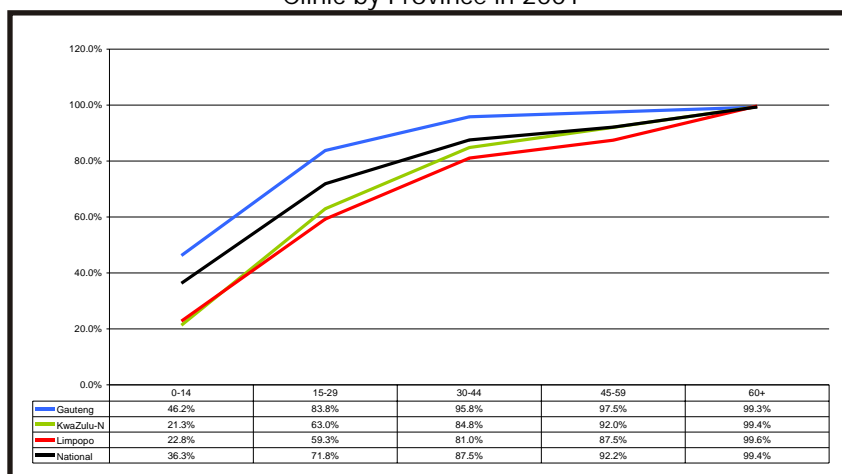
Figure 19: Tuberculosis Incidence (1999 and 2001) and HIV Prevalence (1996 and 2001) by Province



Source: Day and Gray 2002

²¹ The definition of HIV prevalence in this context refers to the percentage of women surveyed testing positive for HIV (Day and Gray, 2002, p.449).
²² Definition obtained from the South African Health Review (Day and Gray 2002, p.443)
²³ Department of Health: Statistical Notes, July 2000.
²⁴ Source: Day and Gray, 2002, p.445; Note: The data provided on TB incidence is not a trend because the incidence rates tend to fluctuate from year to year.
²⁵ According to the South African Human Development Report (2003), the highest TB incidence rates historically occur in the coastal provinces because they experience higher levels of humidity as compared to the rest of the country.
²⁶ Day and Gray, 2002, p.443

Figure 20: Cumulative Distribution of Time Taken to Reach a Clinic by Province in 2001



Source: Labour Force Survey 2001

to some extent from the spread in HIV/ AIDS. When considering access to health care services, however, the province once again performs poorly.

Figure 20 illustrates access to health care services in terms of the cumulative distance to a clinic, measured as time taken to reach a clinic.

It is evident from Figure 20 that approximately 46 percent of households in Gauteng are within 15 minutes reach of a clinic, indicating that access to health care in terms of distance is much better in Gauteng than it is in the other provinces considered. The dominance of this province holds. In terms of relative “quality” of health care access between KwaZulu-Natal and the Limpopo, dominance does not hold as the lines for these provinces intersect. Limpopo fairs slightly better in terms of close access with 23 percent of households being within 15 minutes of a clinic as opposed to 21 percent of households in KwaZulu-Natal.

In terms of further distances, however, KwaZulu-Natal fairs marginally better with, for example, 63 percent of its households being within 30 minutes of a clinic as opposed to 59 percent of Limpopo’s households. Furthermore, approximately 7 percent of households in KwaZulu-Natal and 12 percent of households in Limpopo require more than an hour to reach a clinic. These are quite clearly individuals from rural areas. On this measure, KwaZulu-Natal performs relatively poorly and below the national average, no doubt contributing to the high IMR discussed above.

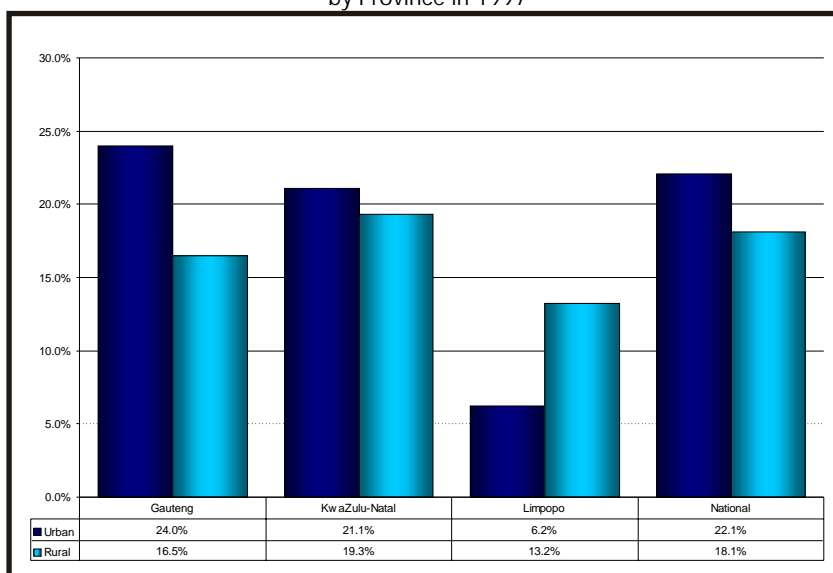
In addition, it is interesting to note that in terms of medical practitioners per 100,000 population, in 2001, there were approximately 12.2 doctors (medical practitioners) per 100,000 population in Limpopo, whilst in Gauteng and KwaZulu-Natal there were approximately 28.7 and 22.3 doctors respectively for every 100,000 people.²⁷

²⁷ Day and Gray, 2002, p.473

CRIME

It is important to highlight that South Africa's crime rates are amongst the highest in the world and there are none who are shielded from its effects.²⁸ Furthermore, violent crimes committed against household members can have dire consequences for that household, and can often cause vulnerable households to become poverty-stricken.²⁹ Conversely, it is possible that individuals who are living in poverty, might resort to commit crimes as a livelihood strategy, thus engendering a vicious cycle of poverty and crime.

Figure 21: Crimes committed against households in Rural and Urban Areas by Province in 1997



Source: Statistics South Africa Victims of Crime Survey, 1998

Crimes can be defined as being committed against households or individuals. We report some statistics here from the Victims of Crime Survey 1998³⁰ as final indicators of poverty for the country and across the three selected provinces.

Figure 21 shows the proportion of households that experienced at least one crime in 1997, including livestock theft, in urban and non-urban areas.³¹ It can be seen that nationally approximately 1 in 5 households indicated having been the victim of at least one crime in 1997 with crime slightly more widespread in urban areas. Urban Gauteng fares the worst in terms of incidence of household crime followed by urban KwaZulu-Natal. Crime rates, however, are higher than the national average in rural KwaZulu-Natal. In terms of the type of household crime, 'housebreaking and burglary' is the most common crime committed on households in Gauteng, KwaZulu-Natal and the country as a whole. Limpopo performs by far the best, with both rural and urban crime rates falling well below the national averages. In this province, the most common crime committed against a household is 'theft of livestock' emphasising the rural nature of Limpopo.

In terms of crimes committed against individuals, the pattern of incidence by province holds. In 1997 the proportion of individuals who indicated that they were the victim of at least one crime against their person was 14.9 percent in Gauteng, 12.5 percent in KwaZulu-Natal and 6.3 percent in Limpopo. Nationally, the figure lay closest to Gauteng at 14.6 percent.³² For the provinces examined, the most common type of crime was 'theft of property'. It is interesting to note that in Limpopo and KwaZulu-Natal the second most prevalent type of crime committed on individuals was assault (which is in line with the national average). In Gauteng, however, the second most prevalent type of crime committed on an individual was corruption followed by fraud.

Aside from the pain and loss suffered by victims of crime, the threat of crime creates an environment unconducive to productive activity.³³ Furthermore, a high crime environment is likely to discourage investment and stifle long-term growth in South Africa.³⁴ It is plausible that such limitations to growth might hinder poverty alleviation efforts.

²⁸ Demombynes and Ozler, 2002

²⁹ May, 2000, p.133

³⁰ Statistics South Africa. Victims of Crime Survey 1998.

³¹ The Victims of Crime Survey 1998 defines household crimes as those crimes committed against the household, for example, theft of property from a dwelling. Individual crimes are those crimes committed against the individual, for example, pickpocketing or sexual offences. (Statistics South Africa 1999, pp16-18)

³² Statistics South Africa Victims of Crime Survey, 1998

³³ Note: Results from the 1999 World Bank Greater Johannesburg Metropolitan Area large firm survey (manufacturing firms) which involved 325 firms, indicated that 94% of firm CEO's rated crime and theft as the major obstacle to firm growth (Lewis, 2002).

³⁴ Demombynes and Ozler, 2002

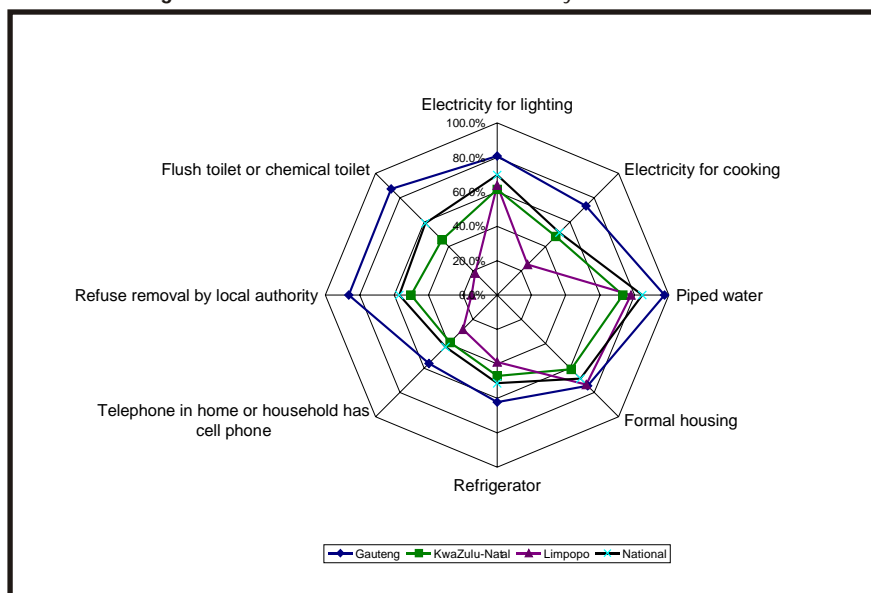
CONCLUSION

This report has considered a range of indicators of wellbeing, reflecting on many of the dimensions of poverty. Comparisons have been made across 3 provinces chosen as proxies for different levels of intra-country living standards, with shifts in poverty measures analysed over time. Links between asset ownership, labour market status and food security are evident – emphasizing the struggles income-poor households face to meet their basic needs. On these markers, Gauteng clearly outperforms KwaZulu-Natal which clearly outperforms Limpopo. The ranking of provinces, however, is not as robust when examining other forms of poverty such as poor health and safety. Furthermore, on two fundamental living standards measures – the proportion of households living in formal dwellings and proportion of households with access to piped water – Limpopo, the province with the highest income poverty, appears to have a higher standard of living than KwaZulu-Natal.

The figures in this section coalesce many of the indicators we have considered and show clearly the relative wealth dominance of Gauteng but also the fluctuations in the relative performance of KwaZulu-Natal and Limpopo. For each of the indicators, the distance from the centre measures the percentage access in terms of that specific indicator. For example, in terms of electricity for cooking, approximately 25 percent of households in Limpopo, 48 percent of households in KwaZulu-Natal and 73 percent of households in Gauteng have access to electricity for cooking purposes. Furthermore, the distances between the provincial lines should also be noted as indicators of the extent of differential access.

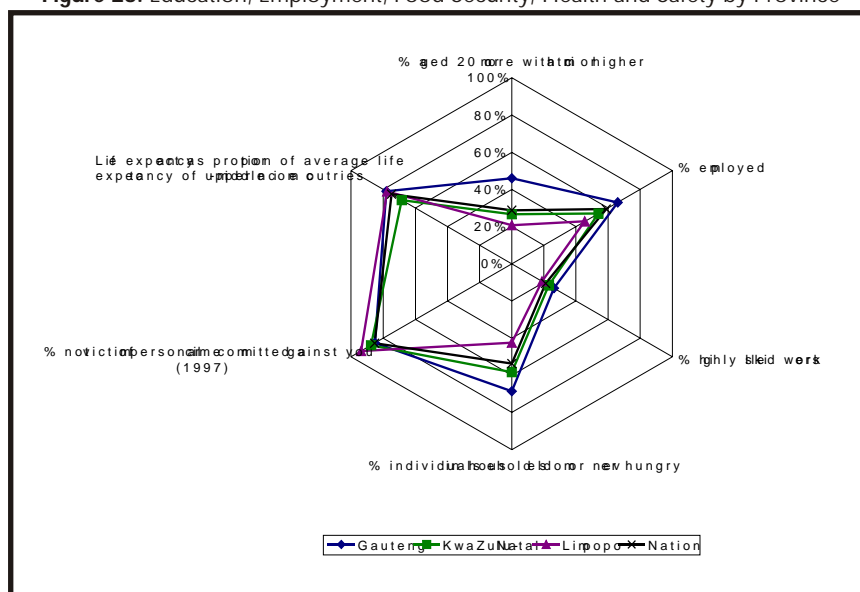
In 2001, Gauteng, almost entirely urban, performed particularly well in terms of the proportion of households with piped water, sanitation, electricity access and refuse removal. Furthermore, the

Figure 22: Access to Assets and Services by Province in 2001



province has a relatively high number of households living in formal dwellings and with telephones. Although it performs best in terms of refrigerator ownership, 4 in 10 households in this relatively well-off province do not possess this basic asset. Limpopo and KwaZulu-Natal fair significantly worse on almost all measures, except in the case of formal housing in Limpopo, with figures rivalling those of Gauteng. It is quite remarkable and encouraging that so many dwellings in the Limpopo are built of bricks or concrete, although the difference in quality of these homes and those in Gauteng will be stark. In fact, Limpopo with the lowest GDP per capita has greater access to piped water and electricity for lighting than KwaZulu-Natal indicating that basic living conditions are in some instances superior in this province. The lack of income in

Figure 23: Education, Employment, Food Security, Health and Safety by Province





the Limpopo becomes evident, however, when considering access to basic assets such as telephones and refrigerators, for which fewer than 1 in 3 possess the former and only 4 in 10, the latter. This lack of income is further emphasized when considering the low usage rate of electricity for cooking relative to lighting, and relative to that of KwaZulu-Natal. In terms of changes over time, the analysis based on census data indicated that improvements have been made in terms of access to assets and services, particularly with regard to the use of flush or chemical toilets and the availability of electricity for lighting purposes, on a national level. Moreover, generally the province with the largest backlogs in 1996, had made the greatest proportional gains by 2001.

In terms of educational achievements and economic opportunities, the ranking of the provinces is more stable. Although there have been improvements in educational attainment throughout the country over the inter-censal period, a mere 21 percent of Limpopo residents aged 20 or higher had completed grade 12 or studied further in 2001. Individuals in Gauteng are the most educated, highly skilled, most likely to have a secure job, and as a result have improved access to finances. Furthermore, our analysis has shown that employed individuals in Gauteng are also expected to earn the highest average incomes. In 2001, the proportion of the working poor in Limpopo exceeded those in KwaZulu-Natal for every low earnings line chosen, which in turn exceeded those in Gauteng. Increases in unemployment were found across all provinces, but Limpopo experienced the greatest rise. The situation is dire, as can be seen in the diagram with only 46 percent of those willing and able to work, finding employment in 2001.

The links between food security and earnings and employment potential are clear with Gauteng once again performing best and Limpopo worst. Even so, the percentage of individuals living in households which indicated that they 'seldom or never' had a problem satisfying their food needs is low for all provinces. In Gauteng, 3 in 10

households indicated that they 'sometimes, often or always' had difficulties obtaining sufficient food. In KwaZulu-Natal this figures stands at 4 in 10 and in Limpopo an exceedingly concerning 6 in 10.

Although on the economic indicators an extremely bleak picture of the prospects of the Limpopo is developed, in terms of health and safety, this province performs relatively well. On life expectancy measures, it rates on a par with Gauteng, with KwaZulu-Natal performing especially poorly. HIV prevalence is significantly lower. In terms of exposure to crime, individuals and households in this province too are least exposed. It appears then that the deeply rural nature of the province and perhaps its high degree of exclusion from the mainstream economy of the country, may be insulating it from some of the devastating effects of the HIV pandemic. Declines in life expectancy and increases in HIV prevalence for all the provinces paint a worrying picture of the future.

From the above it is clear that any analysis of poverty in South Africa, should combine both the standard income approach to poverty with appropriate measures of the assets owned and services accessed by the populace. These latter indicators are vital markers for the degree and extent of 'entitlement deprivation' in the society. This particular status report has chosen a provincial comparison as a point of contrast, although it should be noted that other covariates such as race and gender of household head, location and mean years of schooling of a household, continue to remain important predictors of asset poverty and services deprivation. Ultimately though, the report has attempted to provide a post-apartheid snapshot of some the advances that have been made in asset ownership and services provision to poor households. They reflect simultaneously, on the advances that have been made in certain respects, and the significant challenges that lay ahead for this society.

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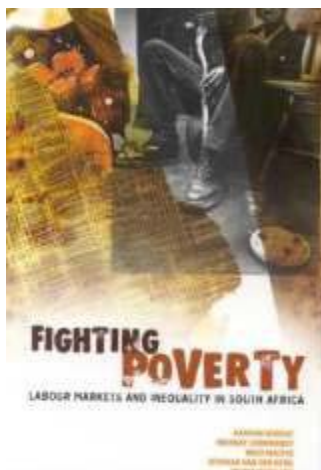
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