

SUBJECTIVE POVERTY IN SOUTH AFRICA

FINDINGS FROM THE GENERAL HOUSEHOLD SURVEYS 2019 and 2022

Report: 03-10-25



IMPROVING LIVES THROUGH DATA ECOSYSTEMS



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Abbreviations

GP	Gauteng
GHS	General Household Survey
FS	Free State
EC	Eastern Cape
IEQ	Income Evaluation Question
IES	Income and Expenditure Survey
KZN	KwaZulu-Natal
LCS	Living Conditions Survey
LP	Limpopo
MIQ	Minimum Income Question
MP	Mpumalanga
NC	Northern Cape
NW	North West
RSA	Republic of South Africa
SPWQ	Self-Perceived Wealth Question
STATS SA	Statistics South Africa
WC	Western Cape

Preface

This report presents the subjective poverty levels based on data collected by Statistics South Africa (Stats SA) through the General Household Survey (GHS) of 2019 and 2022. In the past, Stats SA made use of data from the Income and Expenditure Survey (IES) and Living Conditions Survey (LCS) to derive these subjective poverty indicators. In recent years, the relevant subjective poverty data items, namely the Self-perceived Wealth Question (SPWQ), the Minimum Income Question (MIQ) and the Income Evaluation Question (IEQ), have been included in the GHS series which allows Stats SA to update these indicators on a more regular basis.



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Statistician-General

Chapter 1: Background

1.1 Introduction

Over the years, theorists have put forward different explanations and measurements on how individuals' living standards should be measured. The most popular of these, and also the official approach used by Statistics South Africa (Stats SA), is the objective poverty line, which looks at a fixed monetary minimum amount, below which an individual is classified as poor. However, as stated by Wang, Zhao, Bai, Zhang, Yu (2020), there are authors with the view that individuals themselves are the best judge of their own welfare status, as they hold all the knowledge needed to make that assessment. Hence, using subjective poverty as an additional measure to objective poverty, allows for more robust measurements of welfare in South Africa.

Researchers have identified many factors that contribute to an individual classifying themselves as being subjectively poor. These factors are generally based on characteristics of the household and the head, as well as their access to various social and economic resources (Kingdon & Knight 2006; Wang et al. 2020). The household head features include, sex, settlement type, age, marital status and education level; other features include population group, religion, household size, number of dependents, health status, employment status, size and value of the dwelling unit, productive asset value and consumption assets (Benfield 2008; Kingdon & Knight 2006; Wang et al. 2020).

In a study conducted by Jansen et al. (2015), results showed that South Africans living in urban areas were more likely to rate themselves subjectively poor as opposed to their counterparts in rural areas. The same trend was observed with sex, where males were more likely to identify as being subjectively poor than females. Furthermore, subjective poverty headcounts were higher than objective poverty headcounts, for all population groups.

Interestingly, when looking at international comparisons, the most important determinate of subjective well-being for most countries, according to a study by Bird, Diego-Rosell and Tortora (2016), is material well-being.

In their research, material well-being was measured using the following variables: "Not enough money for food"; "Not enough money for shelter"; "Satisfaction with household income"; "Home has a cellular phone"; "Home has a TV"; "Home has internet access"; "Home has a landline telephone"; and "City economy".

Empirically, subjective welfare/poverty (these terms will be used interchangeably throughout this report) is obtained by using surveys that measure an individual's welfare condition and minimum requirements (Wang et al. 2020). In the past, Stats SA made use of data sourced from the IES and LCS to derive subjective poverty indicators, however, this report will use data from the 2019 and 2022 GHS. The GHS, among other things, measures the living standards of South Africans. Furthermore, the three principal indicators used to measure subjective poverty in this report, are the SPWQ, the MIQ and the IEQ.

1.2 Determining subjective poverty status for households using the SPWQ, MIQ and IEQ

The subjective poverty reports previously produced by Stats SA in 2012 and 2018 used data from the LCS 2008/09 & 2014/15. Below is an extract from the first report titled “*Subjective Poverty in South Africa*” published in 2012, explaining how these subjective concepts were developed.

The SPWQ asked in the LCS requires respondents to select the classification they believe best represents their household’s wealth status. The responses categories are grouped using an ordinal scale ranging from 'very poor' to 'wealthy'. Households who responded 'poor' or 'very poor', are termed subjectively poor, while all other categories are classified as subjectively non-poor. A subjective poverty line following the Leyden approach, named for its origin at Leyden University in the Netherlands in the 1970s (Van Praag and Frijters 1999; Ravallion 2012), is constructed through an MIQ which asks respondents to select the smallest level of income with which their household could make ends meet. If reported per capita household consumption falls below this minimum income level, then the household (and all individuals living in it) is identified as poor. The advantage to this method is that the extent, depth and severity of poverty can be estimated. For example, using the standard Foster Greer-Thorbecke (FGT) set of poverty measures (Foster et al. 1984), the average distance of each household from its reported minimum income (as a proportion of this level of income) can be estimated (i.e. the depth of poverty). A direct way to use the MIQ available in the LCS is to ask respondents whether their household's actual level of income is above or below the minimum level reported in the previous question. In this way, respondents evaluate their own perception on whether they receive more than their reported minimum level (IEQ). In the LCS, the response items are presented in an ordinal scale ranging from 'much lower' to 'much higher'. Individuals are therefore identified as 'poor' if they live in a household in which income is described as 'lower' or 'much lower' than the minimum required income. All other responses are identified as 'non-poor'.

Table 1.1 highlights how the SPWQ, MIQ and IEQ were asked in the LCS 2008/09 & 2014/15 and the GHS 2019 and 2022. It also displays the poverty cut-offs that are used to determine the subjective poverty status of a household.

Table 1.1: Subjective poverty indicators available in the GHS 2022

Subjective poverty indicator	Response items	Poverty cut-off
Self-perceived Wealth Question (SPWQ) <i>“would you say you and your household are at present”</i>	1 = Wealthy 2 = Very comfortable 3 = Reasonably comfortable 4 = Just getting along 5 = Poor 6 = Very poor	5 = Poor 6 = Very poor
Minimum Income Question (MIQ) <i>“Which net household income per month in rand would be the absolute minimum for your household? That is to say, that you would not be able to make ends meet if you earned less.”</i>	Continuous	N/A
Income Evaluation Question (IEQ) <i>“Is the total monthly income of your household higher, lower or more or less the same as the minimum income given above?”</i>	1 = Much higher 2 = Higher 3 = More or less the same 4 = Lower 5 = Much lower	4 = Lower 5 = Much lower

Chapter 2: Key findings

Figure 2.1: Poverty incidence of households by subjective poverty indicator between 2019 and 2022

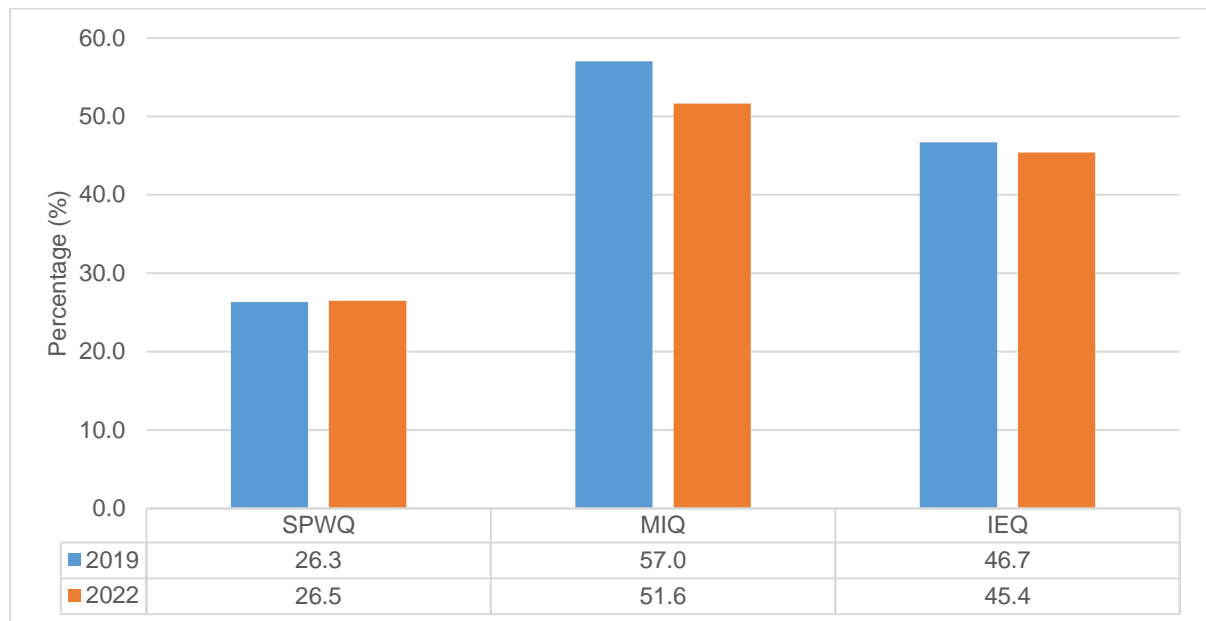


Figure 2.1 shows the proportions of incidence of poverty in South Africa between 2019 and 2022 based on the three subjective poverty measures. In general, there's a declining pattern of subjective poverty with poverty levels declining for two of the three indicators (i.e. MIQ and IEQ) and stayed the same for one indicator (i.e. SPWQ). According to the MIQ measure, results show that the percentage of households identified as poor declined from 57,0% in 2019 to 51,6% in 2022. Similarly, households being classified as poor declined from 46,7% to 45,4% in the same period, based on the IEQ measure. Meanwhile, the SPWQ measure shows that the percentage of households who perceived themselves as poor remained almost the same at approximately 26,5% between 2019 and 2022.

Figure 2.2: Poverty incidence of households by subjective poverty indicator and happiness status between 2019 and 2022

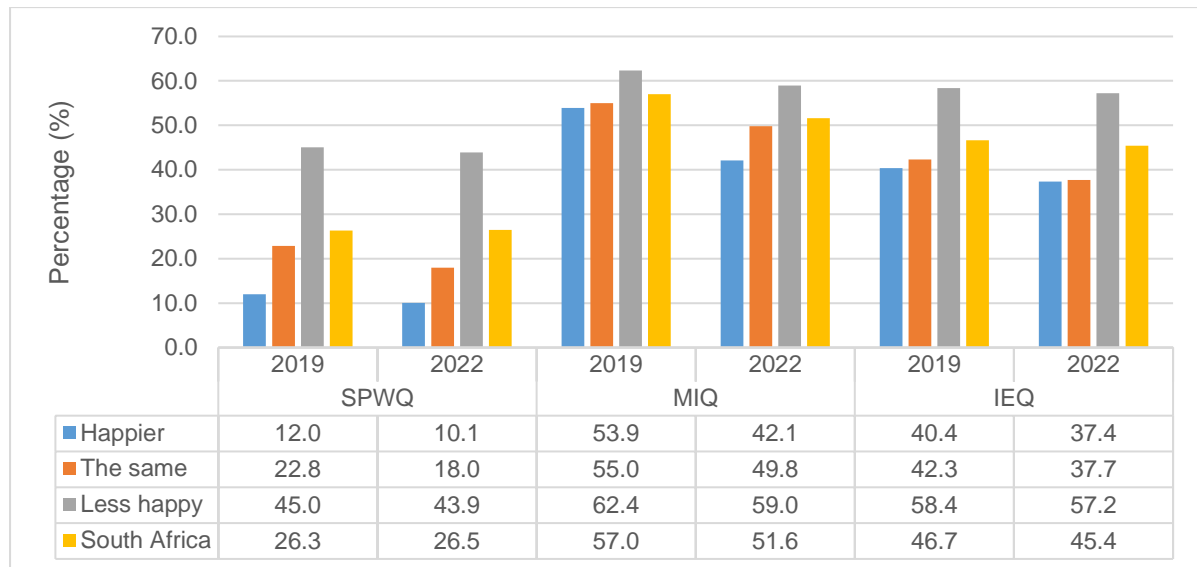


Figure 2.2 indicates that there was an overall decrease in the proportion of subjectively poor households across all three poverty measures between 2019 and 2022 when measured by happiness status. The biggest drop of 11,8 percentage points was observed from happier households which declined from 53,9% in 2019 to 42,1% in 2022, according to the MIQ measure.

The same pattern is observed when using the SPWQ measure, where the incidence of poverty from less happy households decreased from 45,0% in 2019 to 43,9% in 2022. They are followed by the incidence of poverty from households with the same happiness status which decreased from 22,9% to 18,0% between 2019 and 2022.

In terms of the IEQ measure, the highest incidence of poverty was identified from less happy households with proportion of 58,4% in 2019 and 57,2% in 2022.

Figure 2.3: Poverty incidence by subjective poverty indicator and province between 2019 and 2022

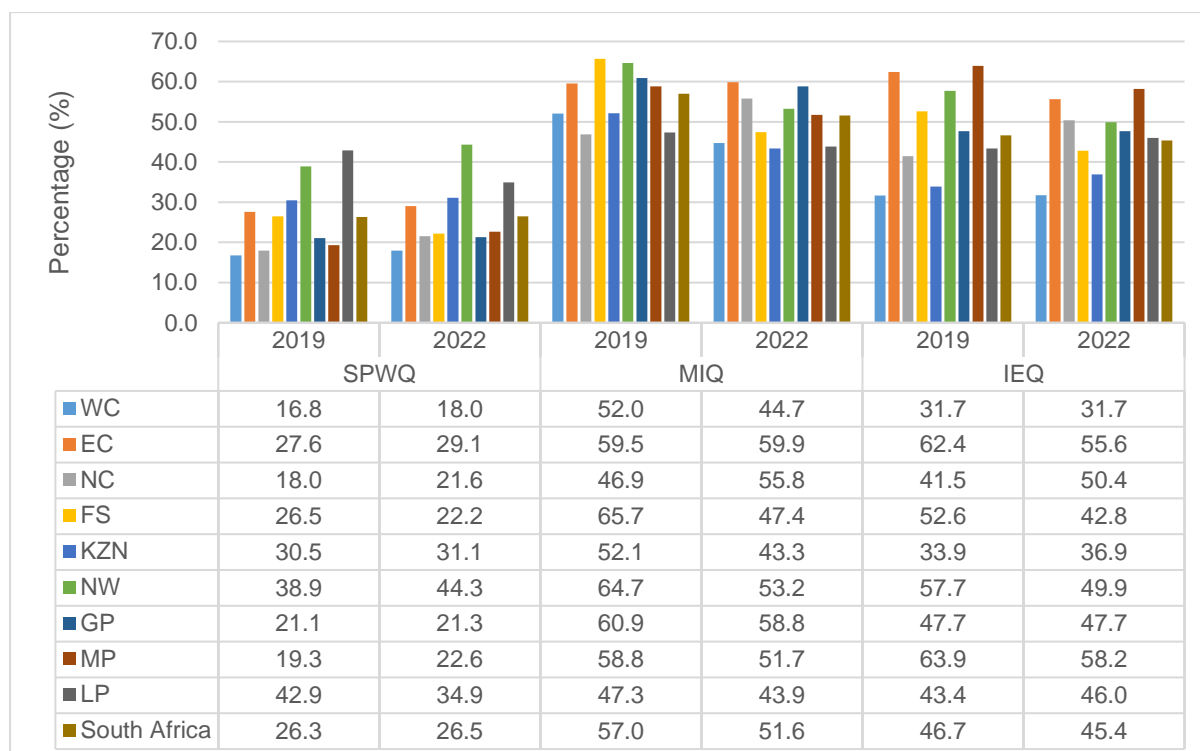


Figure 2.3 shows that provinces that are predominantly rural-based have the largest proportions of households that are subjectively poor compared to predominantly urban-based provinces such as Western Cape and Gauteng. According to the SPWQ indicator between 2019 and 2022, the proportion of households who perceived themselves as poor from the North West, KwaZulu-Natal, Mpumalanga, Eastern Cape and Western Cape increased from 38,9% to 44,3%, 30,5% to 31,1%, 19,3% to 22,6%, 27,6% to 29,1% and 16,8% to 18,0% respectively.

Based on the MIQ indicator, Northern Cape had the highest incidence of poverty which increased by 8,9 percentage points from 46,9% in 2019 to 55,8% in 2022 followed by Eastern Cape (0,4 percentage points) increasing from 59,5% in 2019 to 59,9% in 2022.

In terms of the IEQ indicator between 2019 and 2022, there was a general decrease in the proportion of households identified as poor except in the Northern Cape, Limpopo and KwaZulu-Natal provinces. Amongst all the provinces that showed a reduction in poverty, the highest decrease was observed in Free State which decreased by 9,8 percentage points from 52,6% in 2019 to 42,8% in 2022.

Figure 2.4: Poverty incidence by subjective poverty indicator and metropolitan area between 2019 and 2022

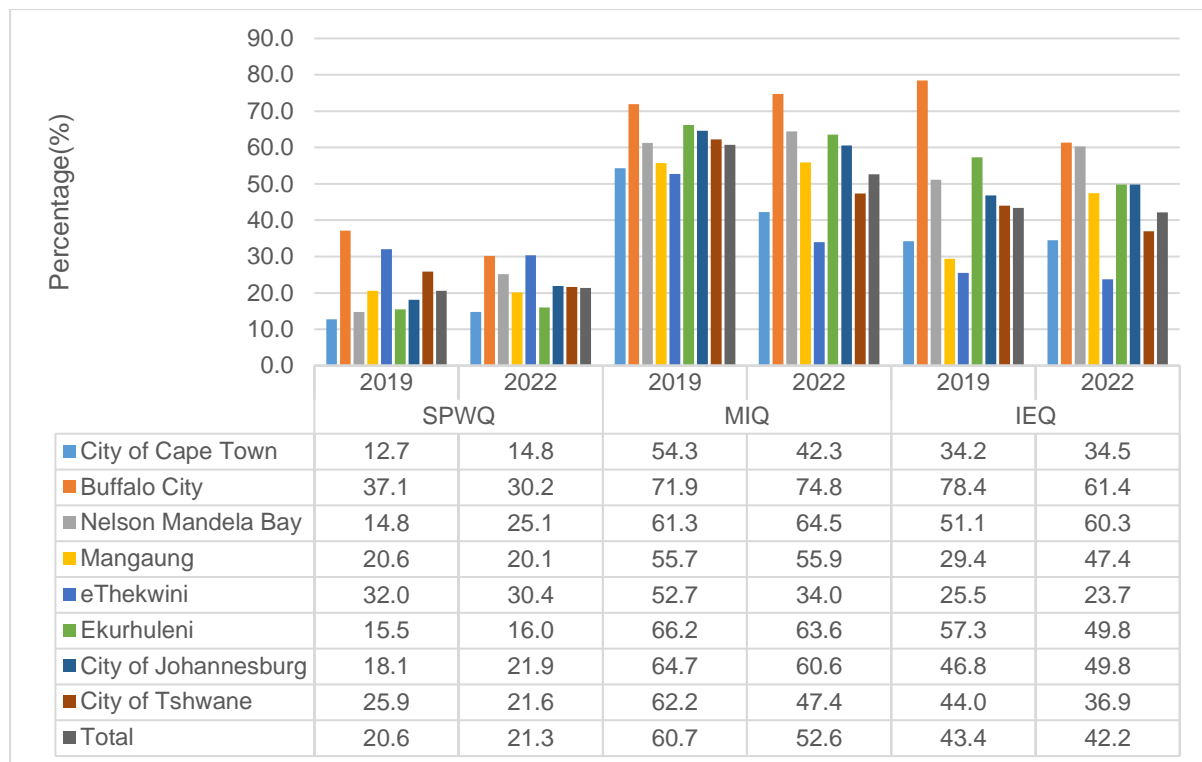


Figure 2.4 shows that according to the SPWQ indicator between 2019 and 2022, the proportion of households who identified themselves as poor from Buffalo City, Mangaung, eThekweni and City of Tshwane metros declined: 37,1% to 30,2%; 20,6% to 20,1%; 32,0% to 30,4% and 25,9% to 21,6% respectively. Other metros experienced an increase over the same period.

Over the same period, there has been a general decrease in the proportion of households identified as poor except in the Buffalo City and Nelson Mandela Bay metros which are both in the Eastern Cape, when using the MIQ indicator. This finding is confirmed in Figure 2.3 above where higher proportions of those households identified as poor were found in the Eastern Cape (59,9%) in 2022. However, the proportion of households identified as poor in the Mangaung metro remained roughly the same at 55,9% over the years.

When poverty is evaluated using the IEQ indicator, Nelson Mandela Bay, Mangaung and City of Johannesburg are the only metros that experienced an increase in the proportions of households identified as poor between 2019 and 2022. However, of these three metros that experienced an increase, Mangaung had the highest percentage point increase.

Figure 2.5: Poverty incidence by subjective poverty indicator and settlement type between 2019 and 2022

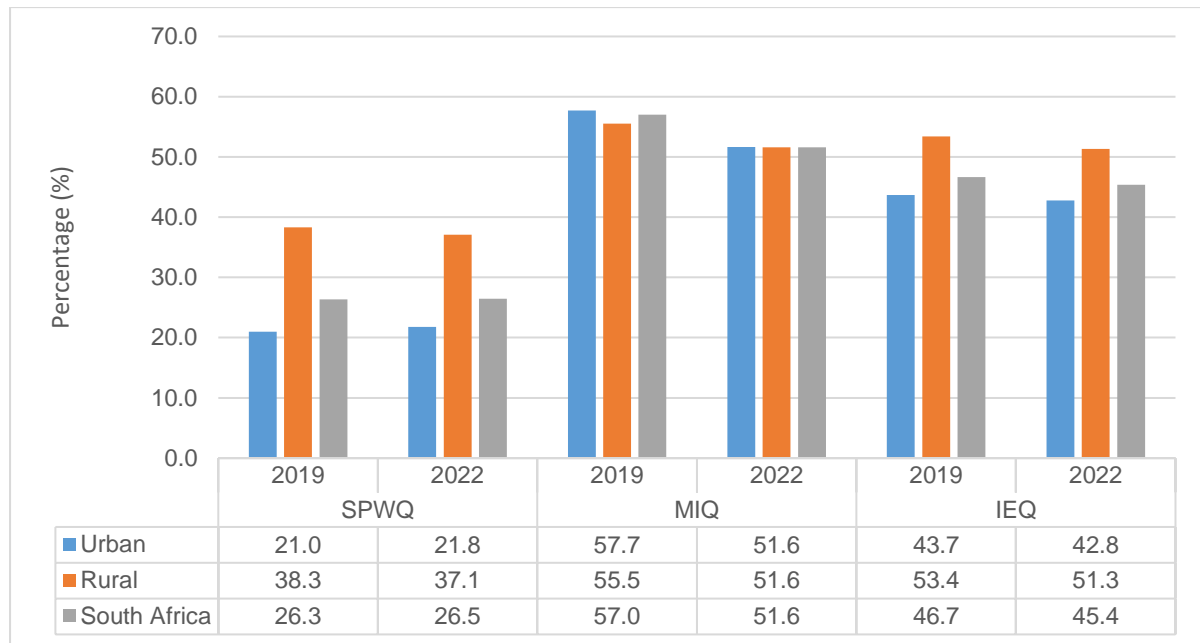


Figure 2.5 compares poverty levels in urban and rural areas between 2019 and 2022. Generally, there's a declining pattern of poverty during the period under review. Poverty levels are notably higher in rural areas when measured using the SPWQ and IEQ indicators. According to the MIQ indicator, poverty levels were similar for both urban and rural-based households in 2022. There was an increase in the prevalence of poverty for urban-based households in 2022 when using the SPWQ measure from 21,0% in 2019 to 21,8%.

Figure 2.6: Poverty incidence by subjective poverty indicator and population group between 2019 and 2022

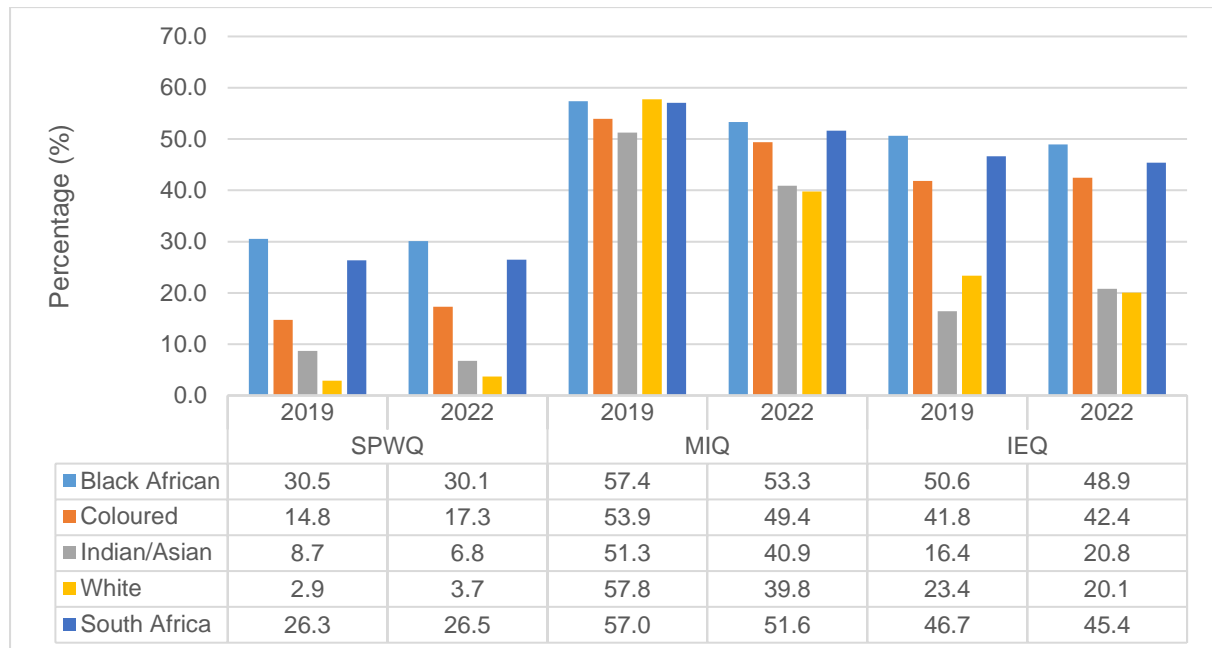


Figure 2.6 presents the incidence of poverty by subjective poverty indicator and population group of the household head between 2019 and 2022. The results show that the proportion of black African and Indian/Asian-headed households who perceived themselves as poor based on the SPWQ indicator declined between 2019 and 2022. The proportion of poor black African-headed households declined from 30,5% to 30,1%, while that of Indian/Asian-headed households declined from 8,7% to 6,8%, respectively.

Between 2019 and 2022, there was a decrease in the proportion of poor black African (50,6% to 48,9%) and white-headed households (23,4% to 20,1%) who identified themselves as poor based on the IEQ indicator. Meanwhile, Indian/Asian and coloured-headed households who identify themselves as poor based on the IEQ indicator increased from 16,4% in 2019 to 20,8% in 2022 and 41,8% in 2019 to 42,4% in 2022 respectively.

Based on the MIQ indicator, a decrease in the proportion of poor households was observed across all population groups with the greatest decrease being noted for white-headed households which fell from 57,8% in 2019 to 39,8% in 2022.

Figure 2.7: Poverty incidence by subjective poverty indicator and highest educational attainment of the household head between 2019 and 2022

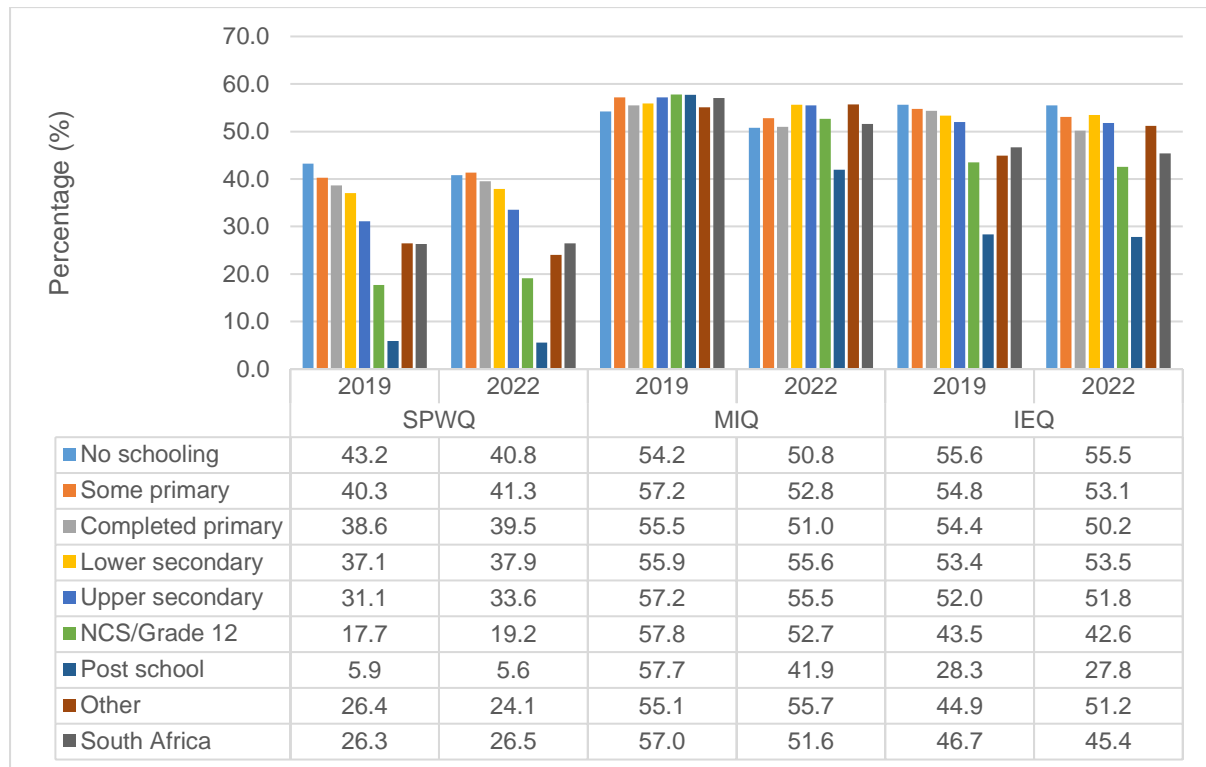


Figure 2.7 shows that according to the SPWQ indicator, households headed by a person with no schooling had the highest incidence of poverty at 43,2% in 2019 and 40,8% in 2022. Households headed by persons with some primary education as their highest level of education had the second highest incidence of poverty between 2019 (40,3%) and 2022 (41,3%). Households headed by a person with post school qualification as their highest educational level had the lowest incidence of poverty at 5,9% and 5,6% respectively during the same period.

According to the MIQ indicator, households headed by a person with post school qualification as their highest educational level decreased from 57,7% to 41,9%, recording a 15,8 percentage points decline between 2019 and 2022. Meanwhile, households headed by a person with other educational attainment remained above 50% in the same period.

A clear pattern is observed when focusing on the IEQ indicator, where the results suggest a negative correlation between educational attainment and the incidence of poverty between 2019 and 2022. There is a notable 27,3 percentage point difference between households headed by persons with no schooling (55,6%) and those with post-school qualification (28,3%) in 2019, as well as 27,7 percentage points difference between households headed by a person with no schooling (55,5%) and those with post- school qualification (27,8%) in 2022.

Figure 2.8: Poverty incidence by subjective poverty indicator and age and sex of the household head between 2019 and 2022

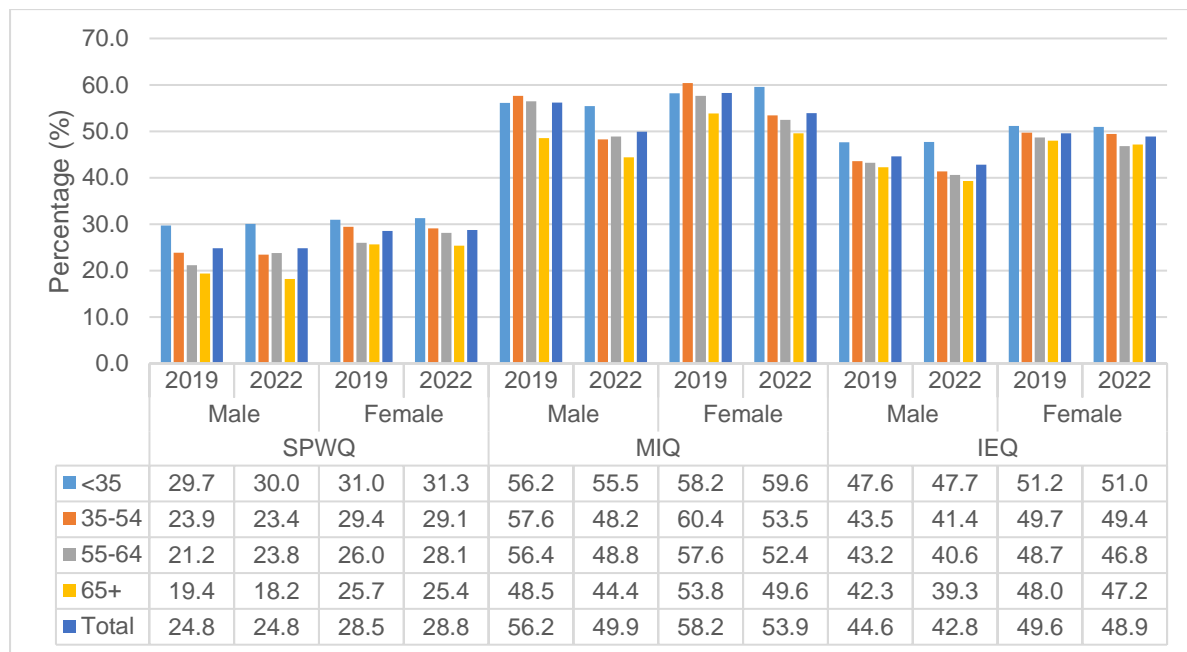


Figure 2.8 depicts the incidence of poverty in male and female-headed households according to their age cohort between 2019 and 2022. In 2022, across all the poverty measures and age groups, female-headed households consistently reported the highest incidence of poverty compared to their male counterparts. Across households headed by both sexes, the prevalence of poverty shows a declining pattern as you move up the age cohort hierarchy.

Figure 2.9: Poverty incidence by subjective poverty indicator and household income quintiles 2019 and 2022

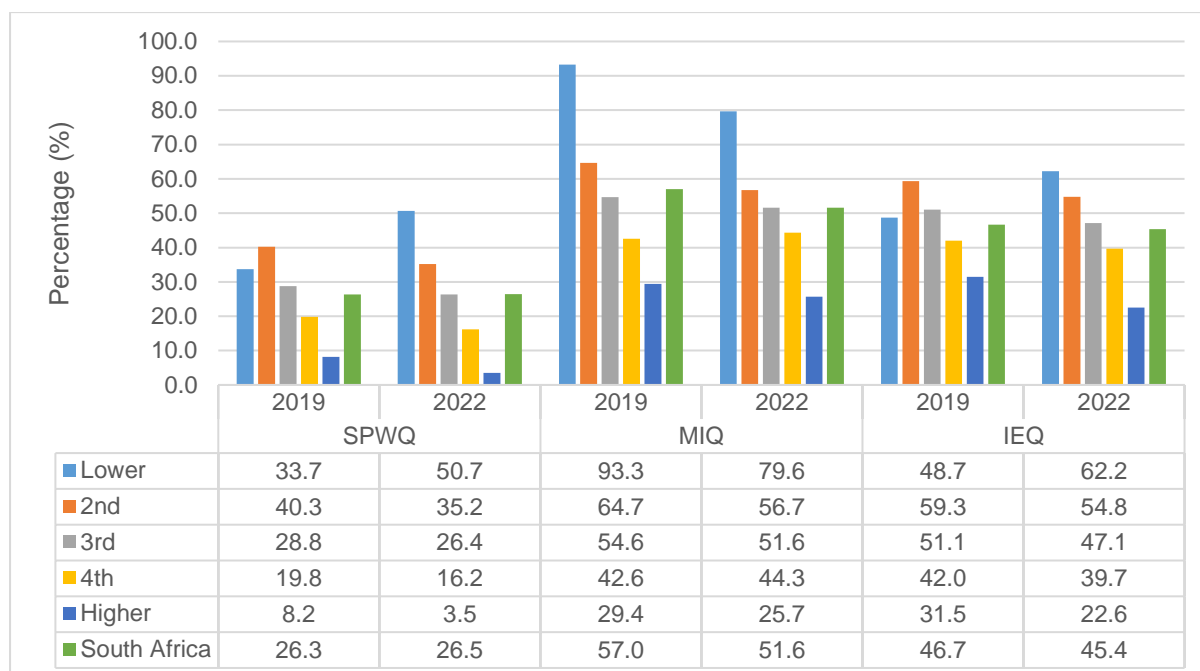


Figure 2.9 illustrates the incidence of poverty within each of the five household income quintiles. For all the poverty measures, the prevalence of poverty decreases as one moves up the quintiles. The figure generally depicts a declining pattern of poverty between 2019 and 2022. However, in 2022 households in the lower quintiles for both the SPWQ and IEQ measures experienced an increase in the prevalence of poverty from 33,7% to 50,7% and from 48,7% to 62,2% respectively. There was also an increase in the incidence of poverty between 2019 and 2022 for households in the fourth quintile from 42,6% to 44,3% when using the MIQ indicator.

Chapter 3: Self-perceived Wealth Question (SPWQ)

3.1 Introduction

This chapter provides an in-depth profile of subjective poverty in South Africa between 2019 and 2022 using the SPWQ indicator. Sections 3.2 to 3.8 profile poverty by marital status, household size, household composition, inter-generational households, number of bedrooms, experience of hunger and levels of food adequacy. Sections 3.9 to 3.12 profile poverty by happiness status, employment status, medical-aid status and health status.

3.2 Poverty profile by marital status

Figure 3.1: Poverty incidence by SPWQ indicator and marital status of the household head between 2019 and 2022

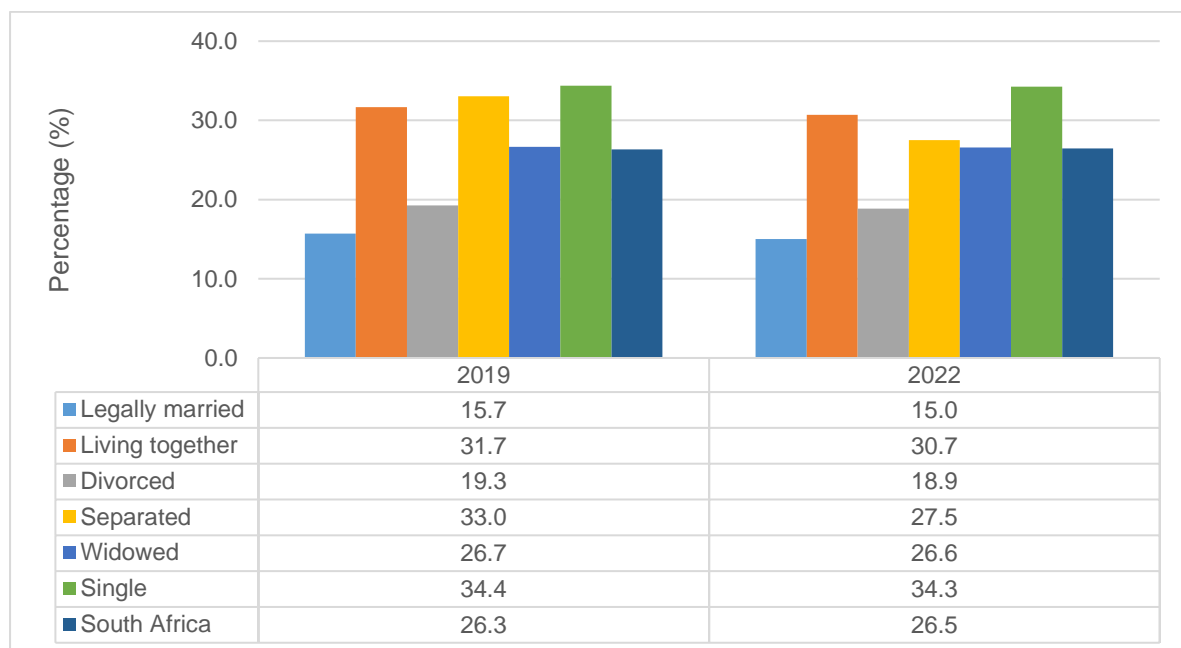


Figure 3.1 shows poverty incidence using the SPWQ measure and marital status of the household head between 2019 and 2022. Individuals residing in households where the household head is legally married were less likely to be perceived as poor between 2019 and 2022 (15,7% and 15,0%), followed by those where the household head is divorced (19,3% and 18,9%). On the other hand, individuals residing in the household where the household head is single were much more likely to be poor.

During the same period, there was a drop of in poverty incidence for both widowed and single led households. The proportion of poverty incidence for widowed and single led households decreased from 26,7% to 26,6% and 34,4% to 34,3% respectively.

3.3 Poverty profile by household size

Figure 3.2: Poverty incidence by SPWQ indicator and household size between 2019 and 2022

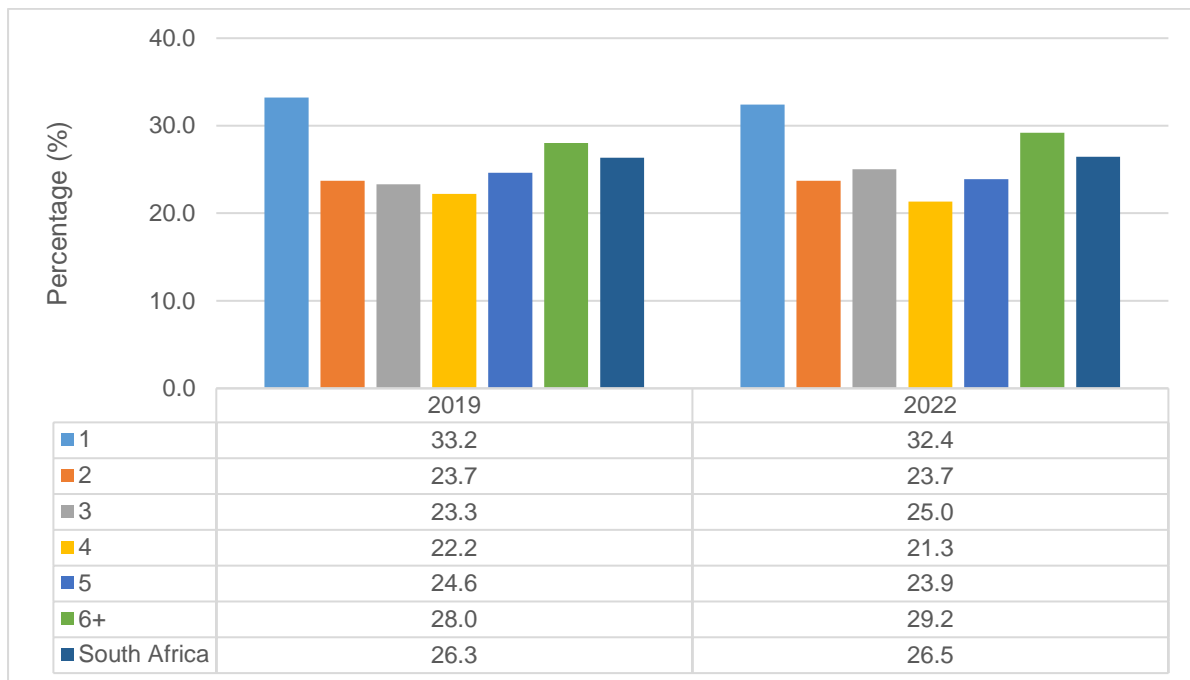
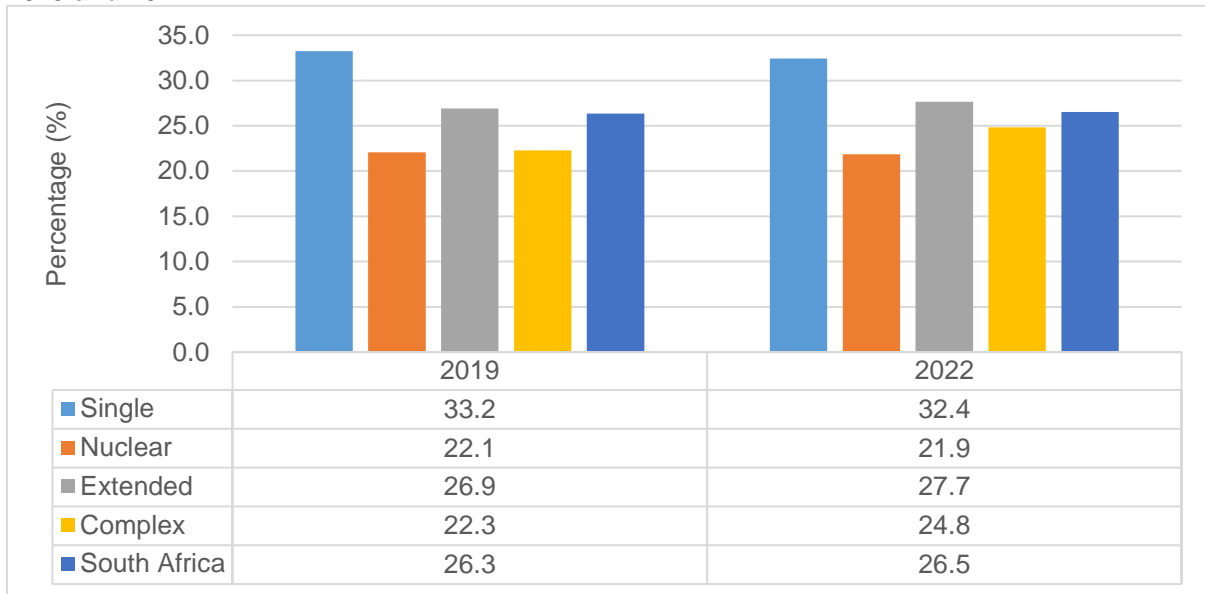


Figure 3.2 depicts the incidence of poverty based on the SPWQ measure and household size between 2019 and 2022. Poverty risk decreases as the household size increases in both 2019 and 2022. However, this is contrary to objective poverty measures where bigger households are usually more likely to be poor. Households that are comprised of only one person had the highest proportion of those that are poor at 33,2% in 2019 and 32,4% in 2022. At the same time, poverty levels for households that are comprised of two persons remained unchanged at 23,7% between the two years. The lowest incidence of poverty were reported in households that were comprised of four persons at 22,2% in 2019 and 21,3% in 2022.

3.4 Poverty profile by household composition

Figure 3.3: Poverty incidence by SPWQ indicator and household composition type between 2019 and 2022



The incidence of poverty and household composition shown in Figure 3.3 describes a configuration based around the core nuclear unit. The nuclear unit describes a household composed of couples, or one or more parent(s) with children. The proportion of poverty incidence for households that are classified as nuclear decreased from 22,1% to 21,9% between 2019 and 2022. Extended households are ones made up of a nuclear core combined with other family members such as parents or siblings. Complex households contain non-related persons. Single households had the highest incidence of poverty which decreased from 33,2% in 2019 to 32,4% in 2022.

3.5 Poverty profile by inter-generational households

Figure 3.4: Poverty incidence by SPWQ indicator and inter-generational households between 2019 and 2022

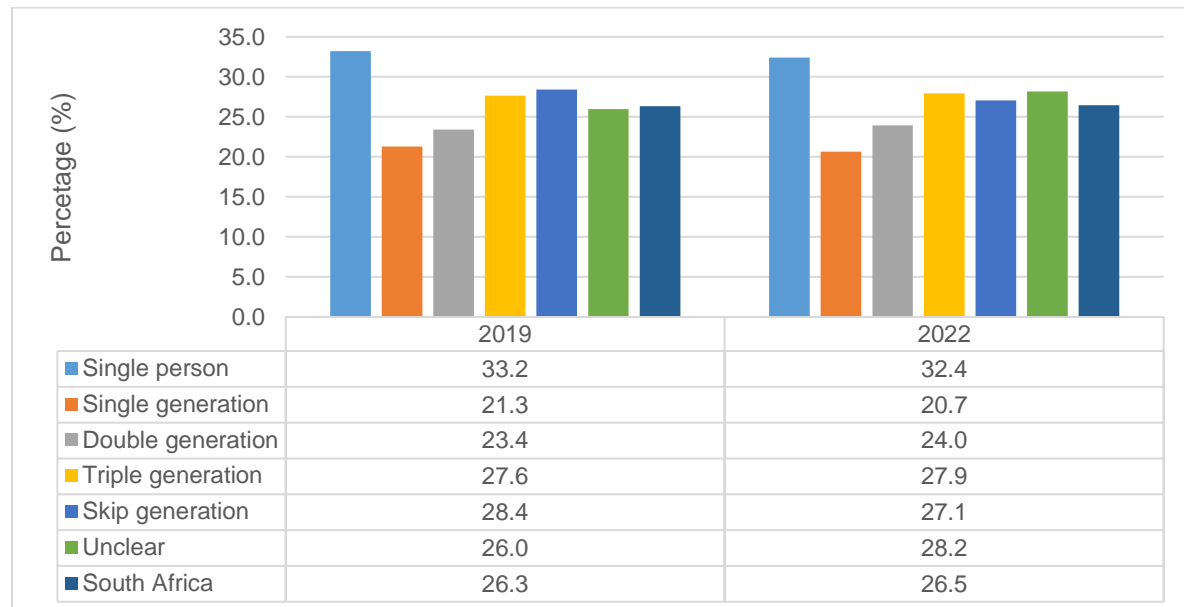


Figure 3.4 outlines poverty levels on household membership based on an inter-generational configuration between 2019 and 2022. Households that are comprised of a single person had the highest incidence of poverty with 33,2% in 2019 and 32,4% in 2022. Single generation households (partners or siblings living together) had the lowest risk of poverty at 21,3% and 20,7%, followed by double generation households (comprising parents and children) at 23,4% and 24,0% between the two years. Triple-generation households (comprised of grandchildren living with one or more grandparents in the absence of any biological parents) remained the same at roughly 27,9% in 2022.

3.6 Poverty profile by number of bedrooms

Figure 3.5: Poverty incidence by SPWQ indicator and number of bedrooms between 2019 and 2022

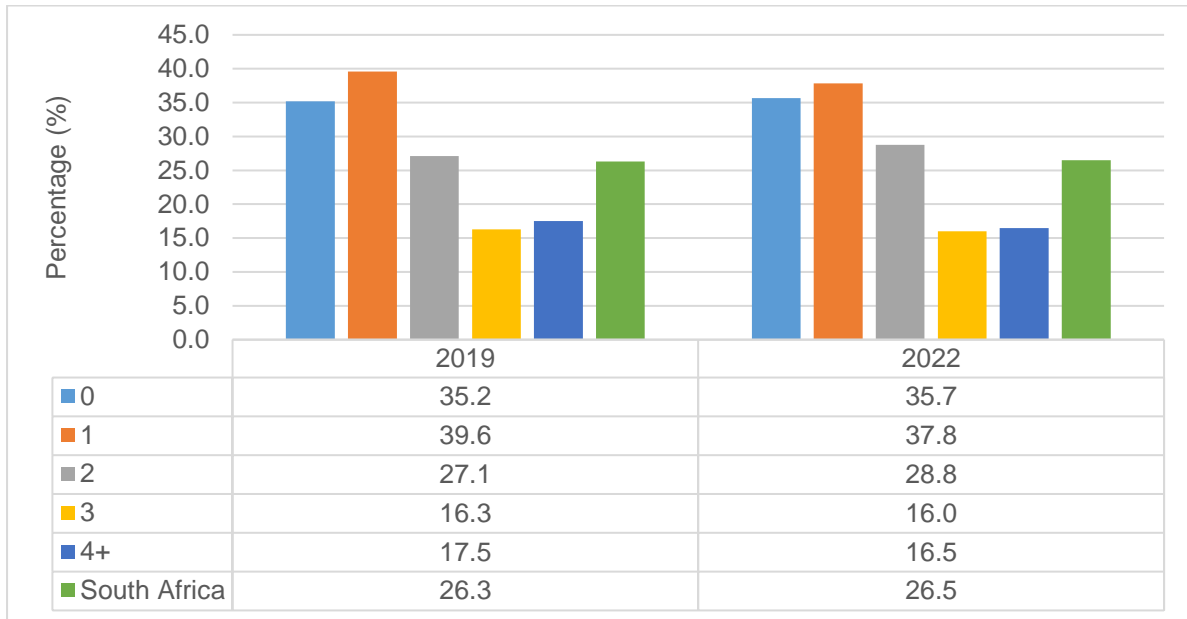


Figure 3.5 shows that households with only one bedroom had the highest level of poverty in 2019, 39,6% perceived themselves as poor which declined to 37,8% in 2022. The results also indicate that the higher the number of bedrooms a household contains the less likely that household would perceive itself as poor. Households with three and four or more bedrooms had the lowest proportion of respondents that viewed themselves as poor between 2019 (16,3% and 17,5%) and 2022 (16,0% and 16,5%), respectively.

3.7 Poverty profile by experience of hunger

Figure 3.6: Poverty incidence by SPWQ indicator, province and experience of hunger between 2019 and 2022

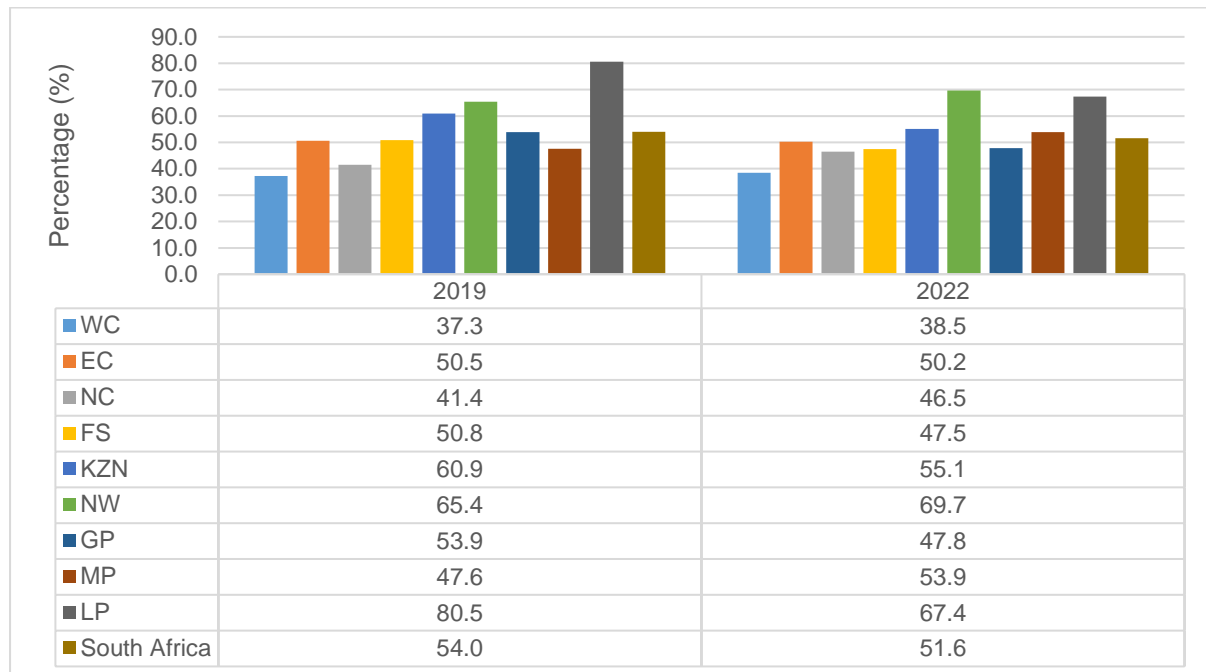


Figure 3.6 shows the incidence of poverty by province for households who experienced hunger between 2019 and 2022. Nationally, the proportion of incidence of poverty for households who experienced hunger declined from 54,0% in 2019 to 51,6% in 2022. Rural-based provinces such as North West and Limpopo had the highest incidence of poverty for households who experienced hunger with a proportion of 69,7% and 67,4% in 2022, respectively. Similar to the trend seen in Figure 2.3, Limpopo reported the biggest decline of 13,1 percentage points of poverty incidence of households who experienced hunger. Western Cape had the lowest poverty incidence of households who experienced hunger at 37,3% in 2019 and increased to 38,5% in 2022. The proportion of households that viewed themselves as poor and experienced hunger increased in the Mpumalanga, Northern Cape, North West and Western Cape during the same period.

3.8 Poverty profile by level of food adequacy

Figure 3.7: Poverty incidence by SPWQ indicator, province and level of food adequacy between 2019 and 2022

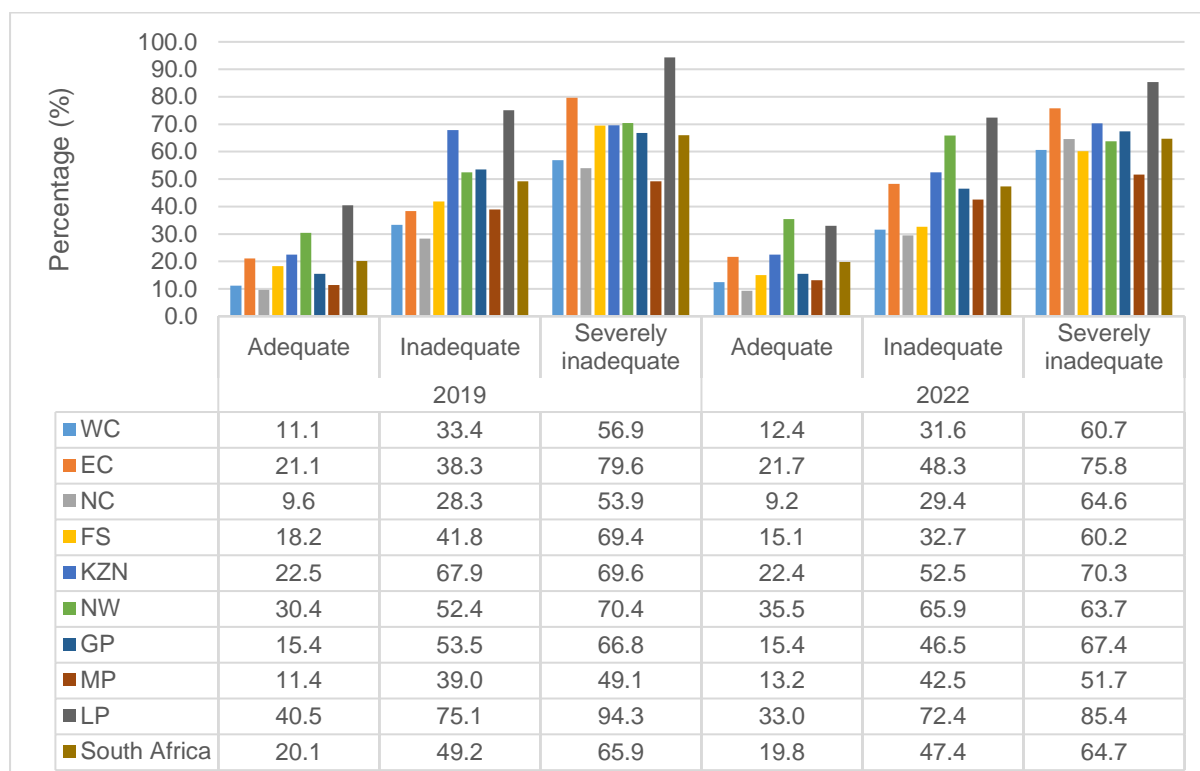


Figure 3.7 indicates that nationally, there has been a decrease in the proportion of poverty incidence for households who indicated that their level of food was severely inadequate, inadequate or adequate between 2019 and 2022. Households who indicated that their level of food were severely inadequate decreased from 65,9% to 64,7%, those that were food inadequate decreased from 49,2% to 47,4% and those that were food adequate declined from 20,1% to 19,8% during the same period.

When poverty levels were assessed by the level of food adequacy and province, it shows that for all the provinces, households who indicated that their level of food was severely inadequate had notably higher poverty levels, followed by those with inadequate and adequate food levels for the two years.

In 2022, rural-based provinces like Limpopo (85,4%), Eastern Cape (75,8%) and KwaZulu-Natal (70,3%) had the highest incidence of poverty for households who were severely food inadequate. While the lowest incidence of poverty for households who were severely food inadequate was recorded in Mpumalanga (51,7%).

When assessing poverty in terms of food inadequacy, again provinces such as Limpopo and KwaZulu-Natal still had the highest incidence of poverty with proportions of (75,1% and 67,9%) in 2019 which declined in 2022 to (72,4% and 52,5%) respectively.

Between 2019 and 2022, the highest incidence of poverty for households who were food adequate were recorded in Limpopo (40,5% to 33,0%) and in the North West (30,4% to 35,5%). However, the lowest incidence of poverty for households who were food adequate was recorded in the Northern Cape (9,6% to 9,2%) over the same period.

3.9 Poverty profile by happiness status

Figure 3.8: Poverty incidence by SPWQ indicator, province and happiness status between 2019 and 2022

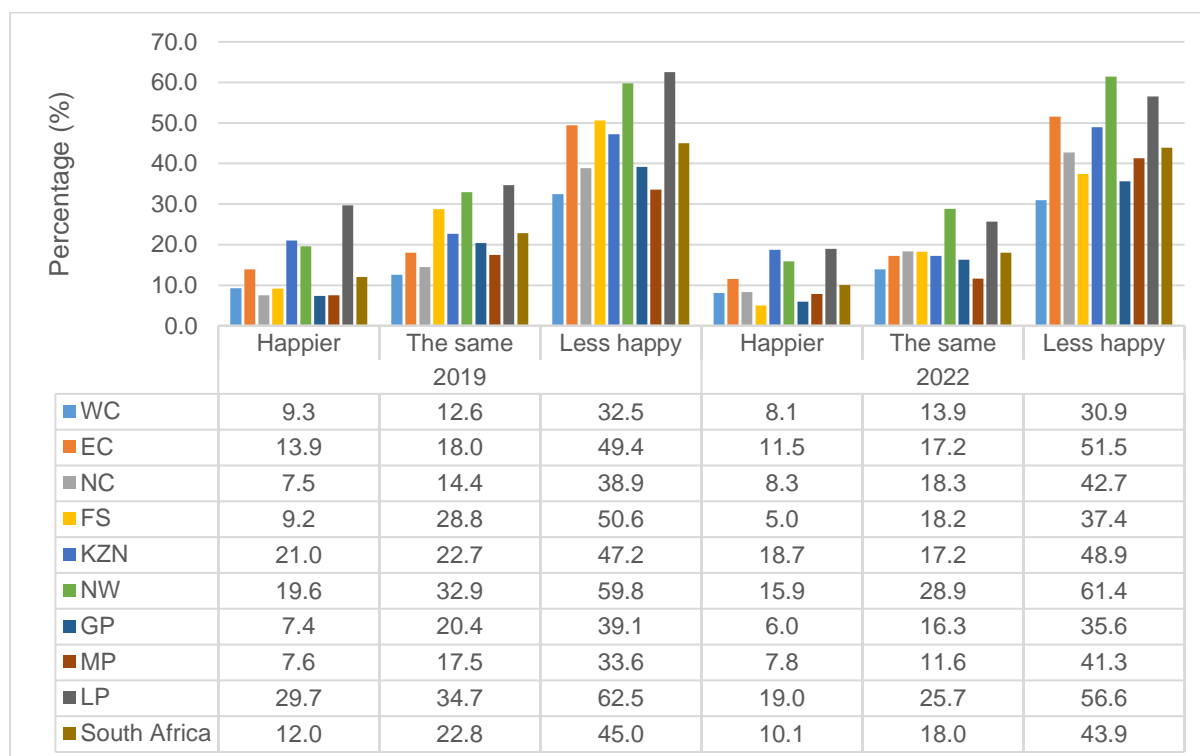


Figure 3.8 depicts that in 2019 and 2022, happiness status had an influence on the subjective poverty status of households. Individuals living in households that were less happy than they were 10 years ago were found to have extremely higher incidence of poverty compared to households with other happiness statuses. The North West, Limpopo and Eastern Cape had the highest incidences of poverty for less happy households compared to all the other provinces in both 2019 and 2022. All provinces, except for Western Cape, experienced a decrease in the proportion of poverty incidence for individuals from households that reported having the same level of happiness. Individuals from those households in the Western Cape increased from 12,6% in 2019 to 13,9% in 2022. Northern Cape and Mpumalanga were the only two provinces which had an increase in the proportion of poverty incidence for individuals from happier households rising from 7,5% to 8,3% and 7,6% to 7,8% respectively during the same period.

3.10 Poverty profile by household employment status

Figure 3.9: Poverty incidence by SPWQ indicator, province and households' employment status between 2019 and 2022

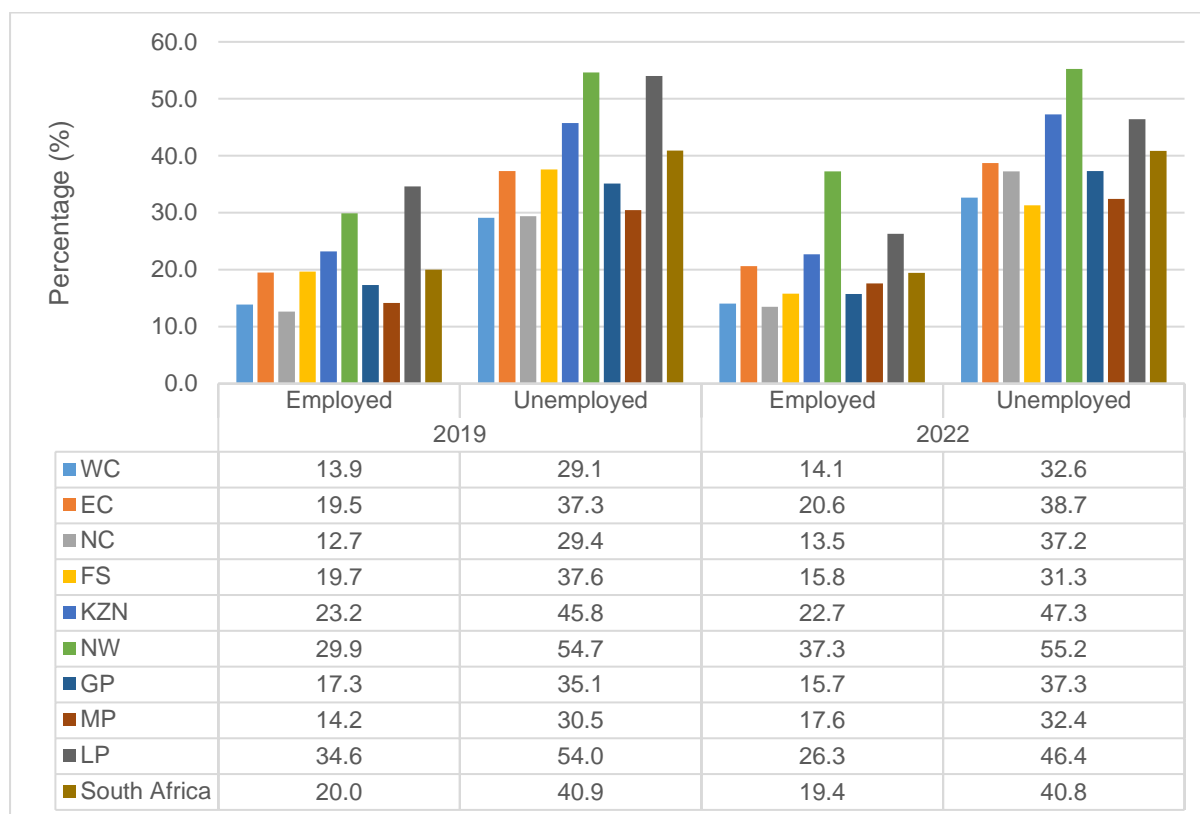


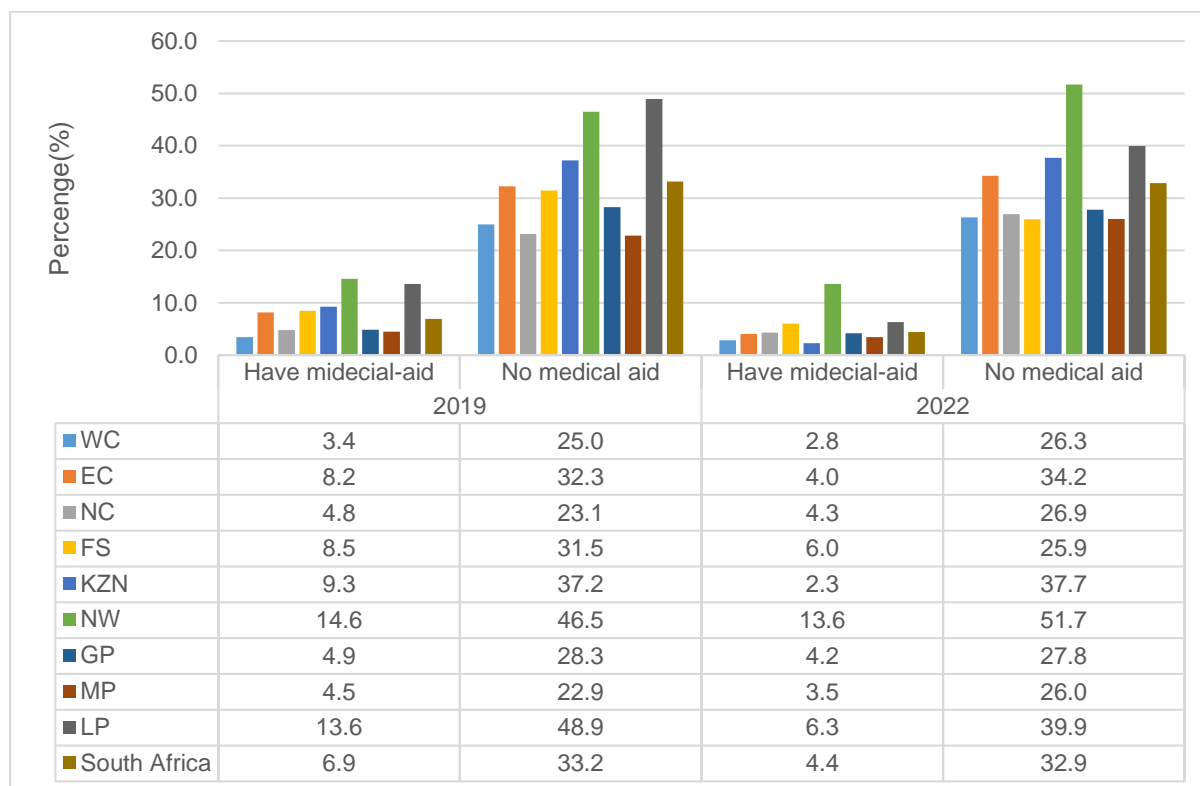
Figure 3.9 shows the incidence of poverty by province and the employment status of households between 2019 and 2022. Nationally, the incidence of poverty by employment status shows that households in which no household member was employed had much higher poverty levels (above 40,0%) compared to households in which there was at least one household member employed which had poverty levels around 20,0% between 2019 and 2022.

The North West, KwaZulu-Natal and Limpopo consistently had the highest poverty incidences for households with unemployed status (i.e. households with no employed household member) in 2019 and 2022. Conversely, the least poverty incidence for households with unemployed status were from the Free State, Mpumalanga and Western Cape in 2022. The incidence of poverty for households with unemployed status from the Limpopo and Free State decreased from 54,0% to 46,4% and 37,6% to 31,3% between 2019 and 2022, respectively.

Equally, in terms of households with employed status (i.e. households with at least one employed household member), North West, Limpopo and KwaZulu-Natal had the highest incidences of poverty in 2019 and 2022. Northern Cape had the lowest incidence of poverty for households with employed status (12,7% to 13,5%) between the two years.

3.11 Poverty profile by medical-aid status of households

Figure 3.10: Poverty incidence by SPWQ indicator, province and medical aid status of households (with at least one member of household with a medical-aid) between 2019 and 2022



Medical-aid status of households also seems to play a role in shaping a household's perceived poverty status as shown in Figure 3.10. Generally, the incidences of poverty in 2019 and 2022 by medical-aid status shows that households with at least one member having a medical-aid had considerably lower poverty levels compared to households who had no household member having a medical-aid.

When provinces are taken into consideration, North West had by far the highest incidence of poverty for households with members without a medical-aid, recording 5,2 percentage points increase between 2019 and 2022. On the contrary, Mpumalanga had the lowest incidence of poverty for households with members without a medical-aid from 22,9% in 2019 to 26,0% in 2022.

Western Cape had the lowest incidence of poverty for households with at least one member having a medical-aid at 3,4% in 2019 and 2,8% in 2022. North West had the highest incidence at 14,6% in 2019 and in 13,6% in 2022.

3.12 Poverty profile by health status of household head

Figure 3.11: Poverty incidence by SPWQ indicator and health status of household head between 2019 and 2022

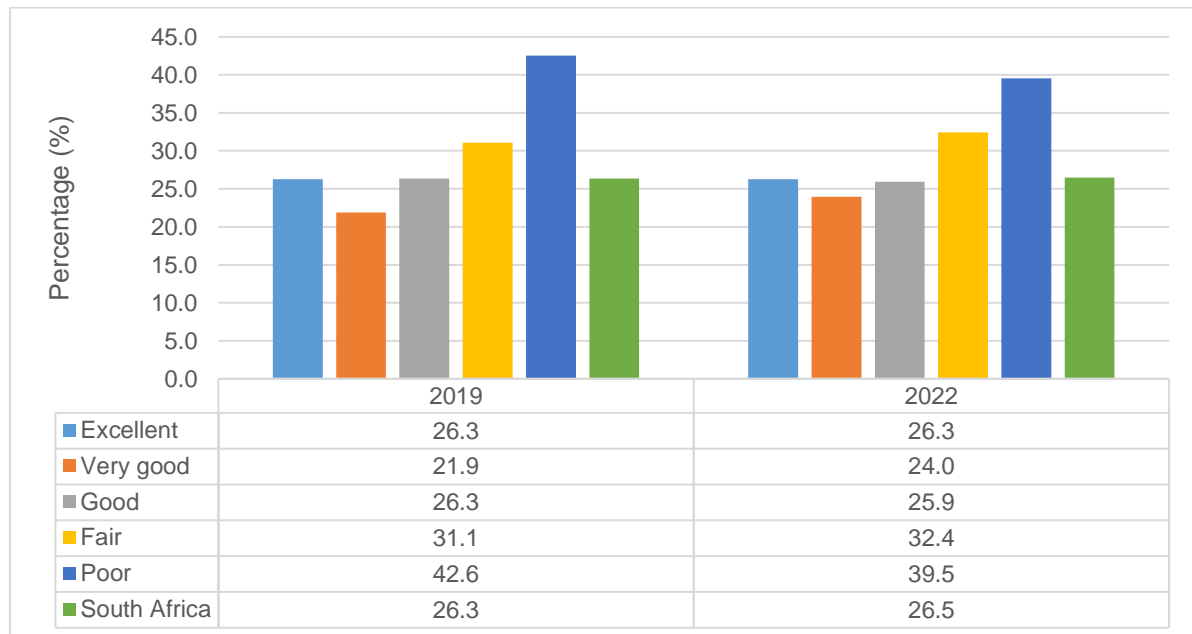


Figure 3.11 illustrates the incidences of poverty by the self-perceived health status of the household head between 2019 and 2022. Households headed by those with poor health status had the highest incidence of poverty with proportions of 42,6% in 2019 which decreased to 39,5% in 2022. The second highest level of poverty incidence comes from households headed by a person with a fair health status which increased to 32,4% in 2022 from 31,1% in 2019. Those households with heads that reported having an excellent health status and perceived themselves as poor remained unchanged at 26,3% in both 2019 and 2022. Households headed by a person with a very good health status had the lowest proportion of those that viewed themselves as poor between 2019 (21,9%) and 2022 (24,0%).

Chapter 4: Income Evaluation Question (IEQ)

4.1 Introduction

In this chapter, a thorough analysis of the IEQ measure will be provided. As seen in the previous chapter, various factors such as marital status and location will be used as aggregates in the examination of this indicator. The inclusion of these additional variables in the study of the IEQ allows for an improved understanding of the make-up and nature of this concept.

Section 4.2 will take into consideration the relationship between marital status and poverty in the IEQ terms, followed by an assessment on how poverty is structured across the various compositions of South African households by considering factors such as household size, household structure and the household's generational structure in Sections 4.3 to 4.5. Sections 4.6 and 4.7 investigate the extent of the experience of hunger and food inadequacy in poor households. Following that, an analysis will be provided in terms of happiness status, employment status, access to a medical-aid and the health status of the head of the household.

4.2 Poverty profile by marital status

Figure 4.1: Poverty incidence of households by IEQ indicator and marital status of household head between 2019 and 2022

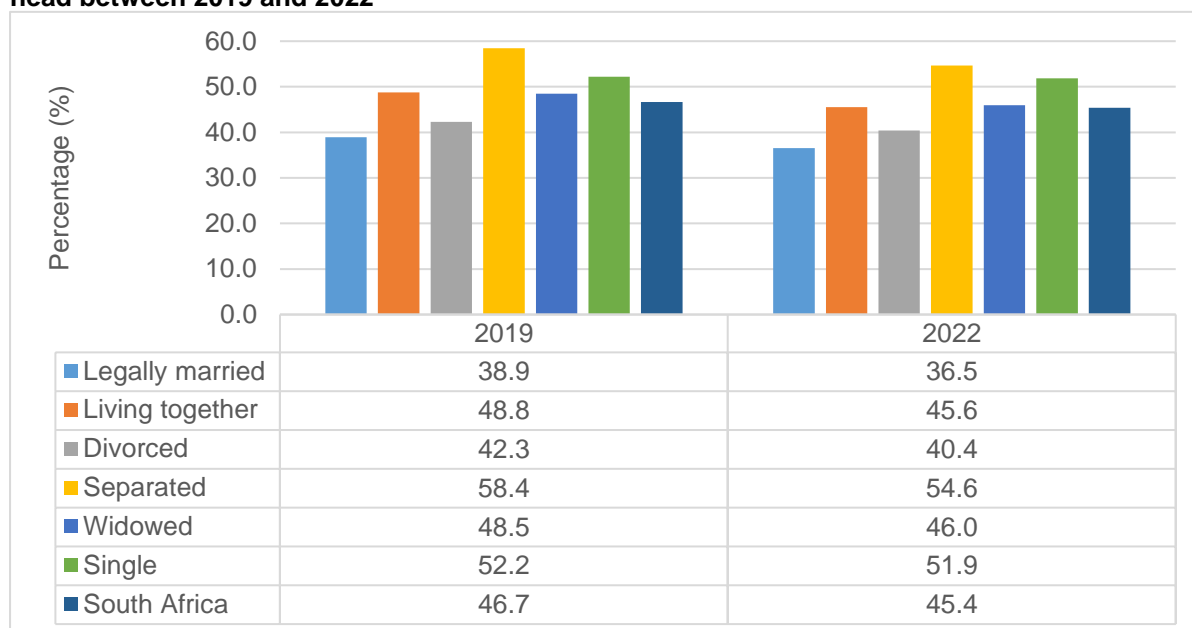


Figure 4.1 shows the incidence of poverty by the marital status of the household head for 2019 and 2022. Across all marital status categories, a declining pattern of poverty is observed between 2019 and 2022. Households headed by those that are separated experienced the highest incidence of poverty at 58,4% in 2019 which dropped to 54,6% in 2022. Single-headed households experienced the second-highest incidence of poverty during the period under review from 52,2% in 2019 and declining to 51,9% in 2022. Households headed by those who are legally married had the lowest incidence of poverty between 2019 and 2022 at 38,9% and 36,5% respectively.

4.3 Poverty profile by household size

Figure 4.2: Poverty incidence of households by IEQ indicator and household size between 2019 and 2022

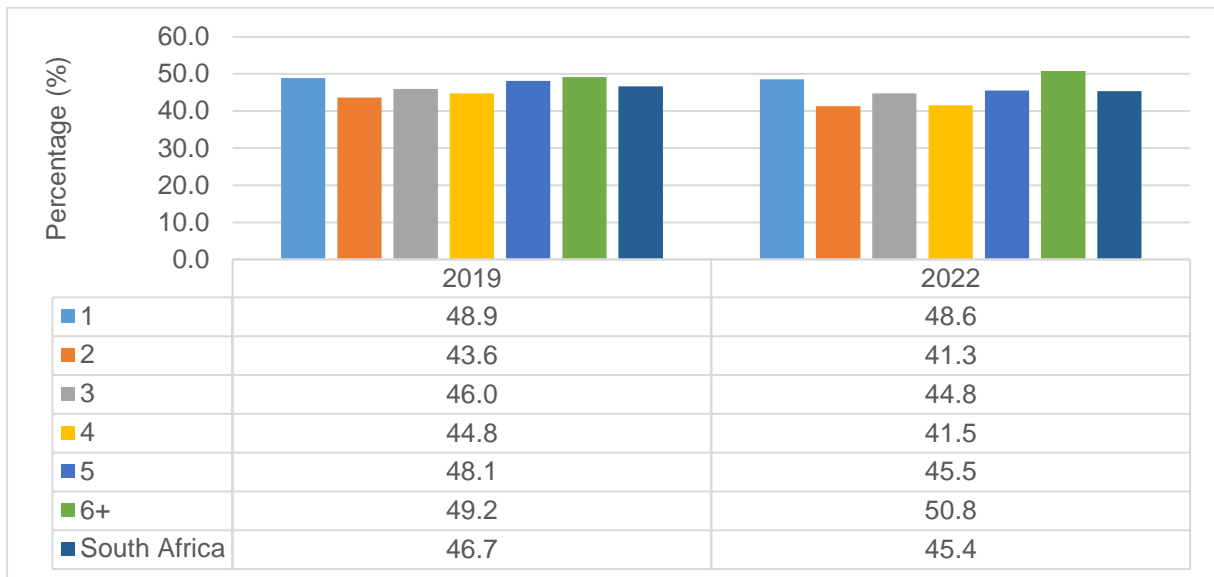
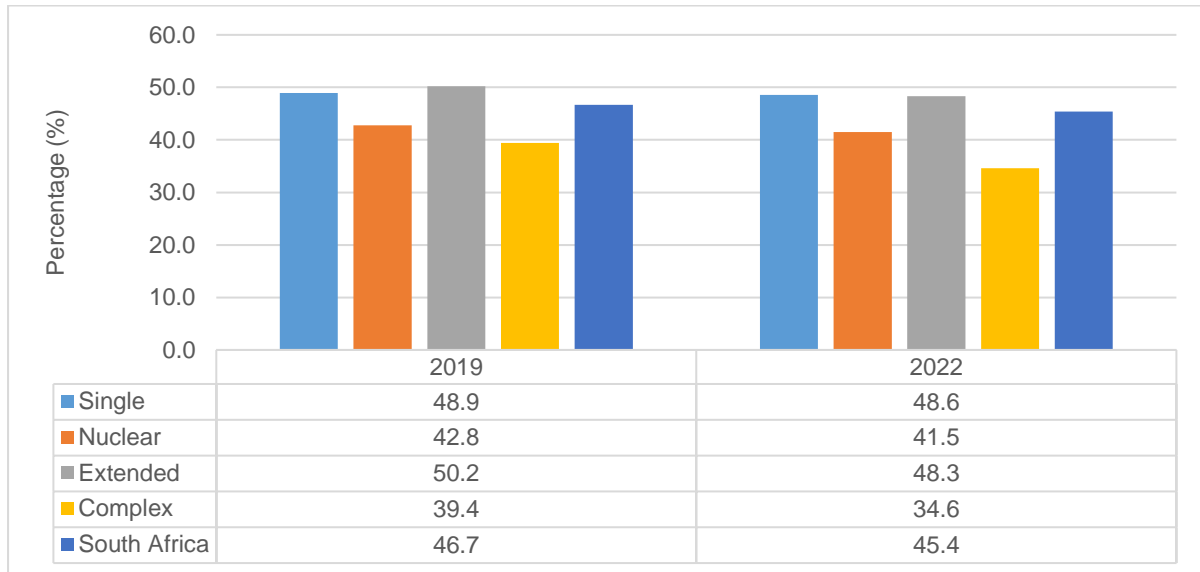


Figure 4.2 depicts the incidence of poverty as measured by the IEQ indicator and household size between 2019 and 2022. A declining pattern of the incidence of poverty is observed for both data points where persons in bigger household sizes, six persons or more experienced the highest incidence of poverty. Households with six persons or more were the only households that showed an increase in poverty levels when compared with other household sizes between the two data points rising from 49,2% in 2019 to 50,8% in 2022. Individuals residing in households with just two members reported the lowest prevalence of poverty decreasing from a high of 43,6% in 2019 to 41,3% in 2022.

4.4 Poverty profile by household composition

Figure 4.3: Poverty incidence of households by IEQ indicator and household composition between 2019 and 2022



A breakdown of the incidence of poverty by the IEQ indicator and household composition structure is shown in Figure 4.3. In 2022, single households (48,6%) had the highest level of poverty as compared to extended households (50,2%) which had the highest level in 2019. Complex structured households for both data points experienced the lowest incidence of poverty at 39,4% in 2019 and 34,6% in 2022. Between the two data points, complex structured households experienced the biggest decline in their poverty levels of 4,8 percentage points. In 2022, nuclear households (41,5%) had the second-lowest incidence of poverty; this was similar to 2019 when they experienced an incidence of poverty of 42,8%.

4.5 Poverty profile by inter-generational households

Figure 4.4: Poverty incidence of households by IEQ indicator and inter- generational households between 2019 and 2022

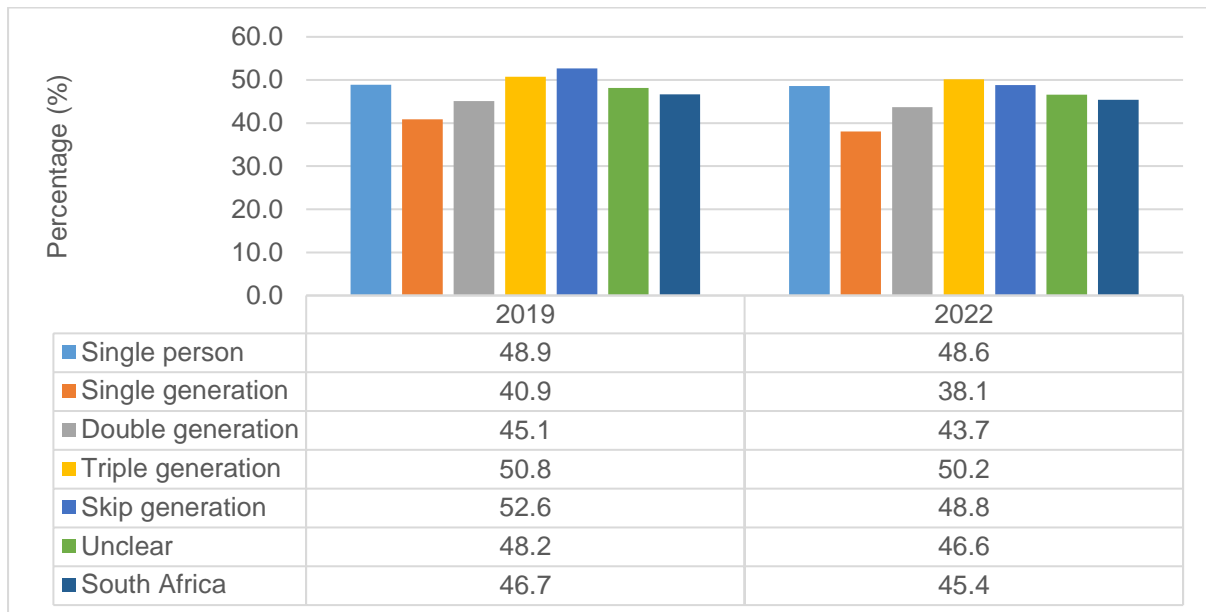
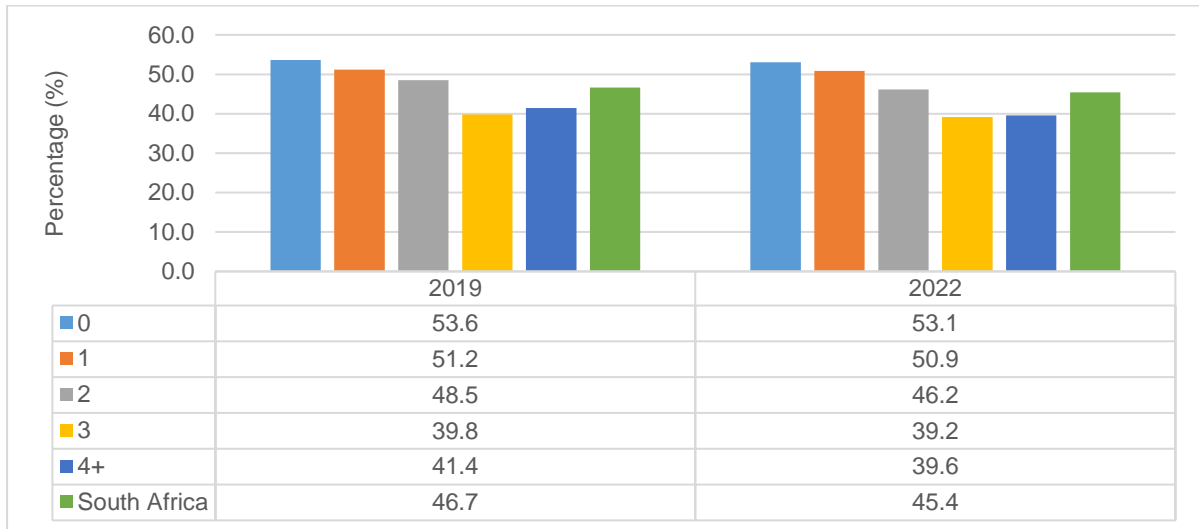


Figure 4.4 depicts the prevalence of poverty when using the IEQ indicator and type of inter-generational households for 2019 and 2022. In 2022, single generational households had the lowest incidence of poverty at 38,1%, which declined from 40,9% in a similar position in 2019. Triple generation households had the highest incidence of poverty in 2022 at 50,2%, this is in contrast with the 2019 findings where skip generation households had the highest incidence at 52,6%.

4.6 Poverty profile by number of bedrooms

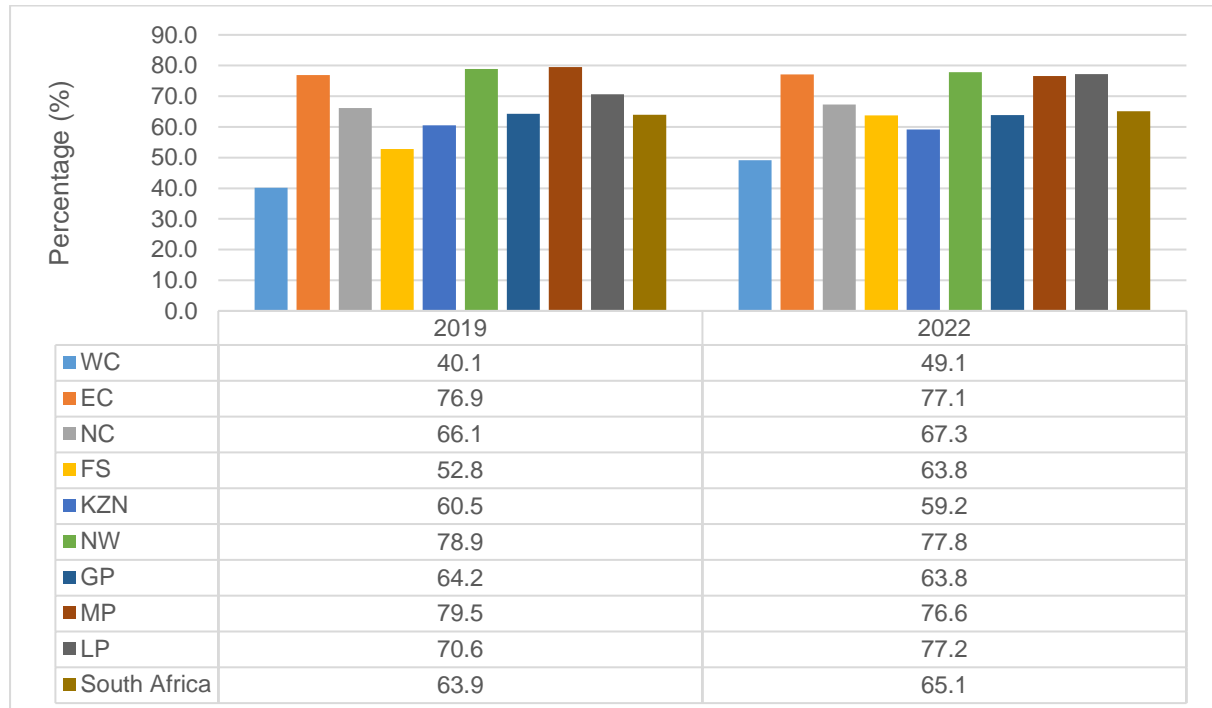
Figure 4.5: Poverty incidence of households by IEQ indicator and number of bedrooms between 2019 and 2022



The number of bedrooms a household occupies generally translates to the extent to which the household is economically well off. Moreover, households that are considered economically well-off are presumed to be non-poor. This widely held view is assessed in Figure 4.5 where the incidence of poverty is graphically represented by the number of bedrooms affiliated to a particular household. The figure corroborates this view where it clearly indicates that there's an overall decline in the incidence of poverty as the number of bedrooms occupied by a household increases. In 2022, households living in a dwelling with zero bedrooms had the highest incidence of poverty of 53,1%, followed by those living in a one-bedroom dwelling with an incidence of 50,9%.

4.7 Poverty profile by experience of hunger

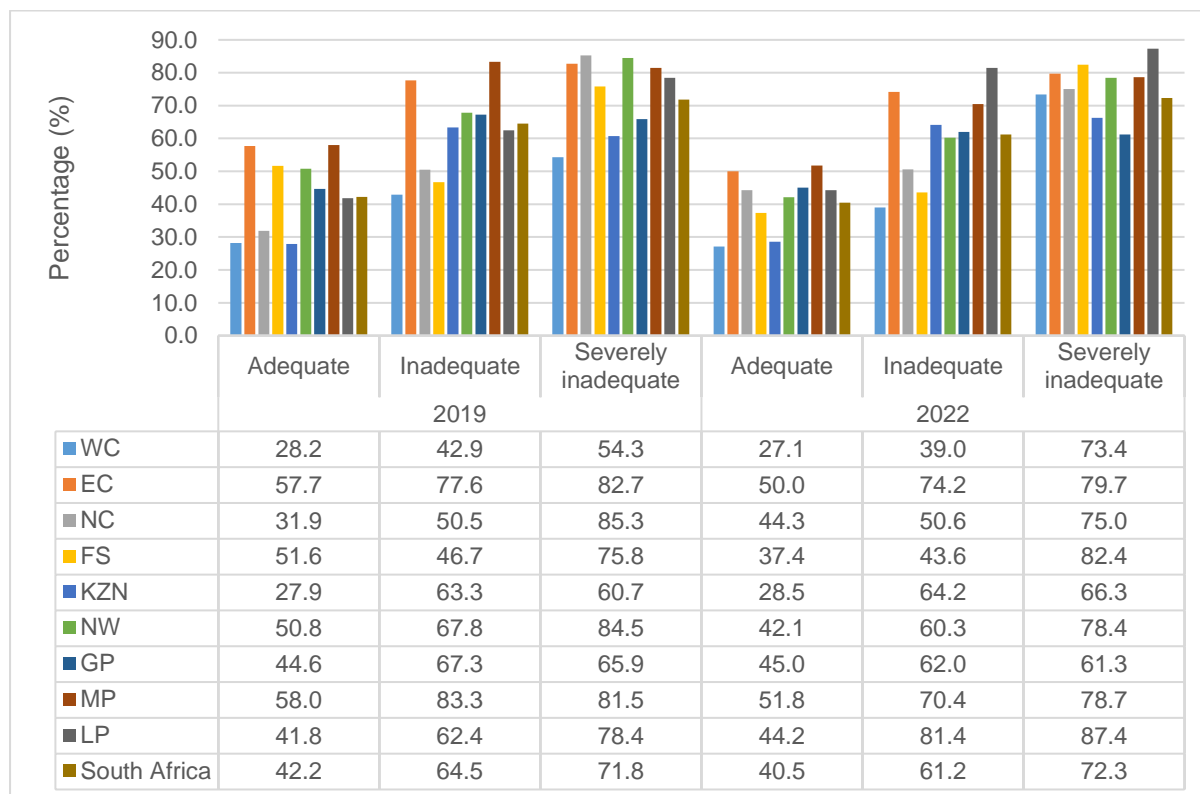
Figure 4.6: Poverty incidence of households by IEQ indicator, province and experience of hunger between 2019 and 2022



An examination of how subjective poverty as per the IEQ yardstick performs in households that reported to have experienced hunger is carried out in Figure 4.6. It is visible from the figure that the incidence of poverty and households that reported experiencing hunger were predominant in rural-based provinces of the North West, Eastern Cape, Limpopo and Mpumalanga during the two data points. Nationally, between 2019 and 2022 there's an increasing pattern of households classified as poor and who also experienced hunger from 63,9% to 65,1% respectively. Provincially, there's generally an increasing pattern for households who are poor and also experienced hunger. The Western Cape between 2019 and 2022 reported the lowest incidence of households who are poor and also experienced hunger. However, during the same period, they experienced the second biggest increase of poor households who experienced hunger at 9,0 percentage points. Free State experienced the biggest increase at 11,0 percentage points. Gauteng and KwaZulu-Natal are the only provinces that experienced a decline during the period under review.

4.8 Poverty profile by level of food adequacy

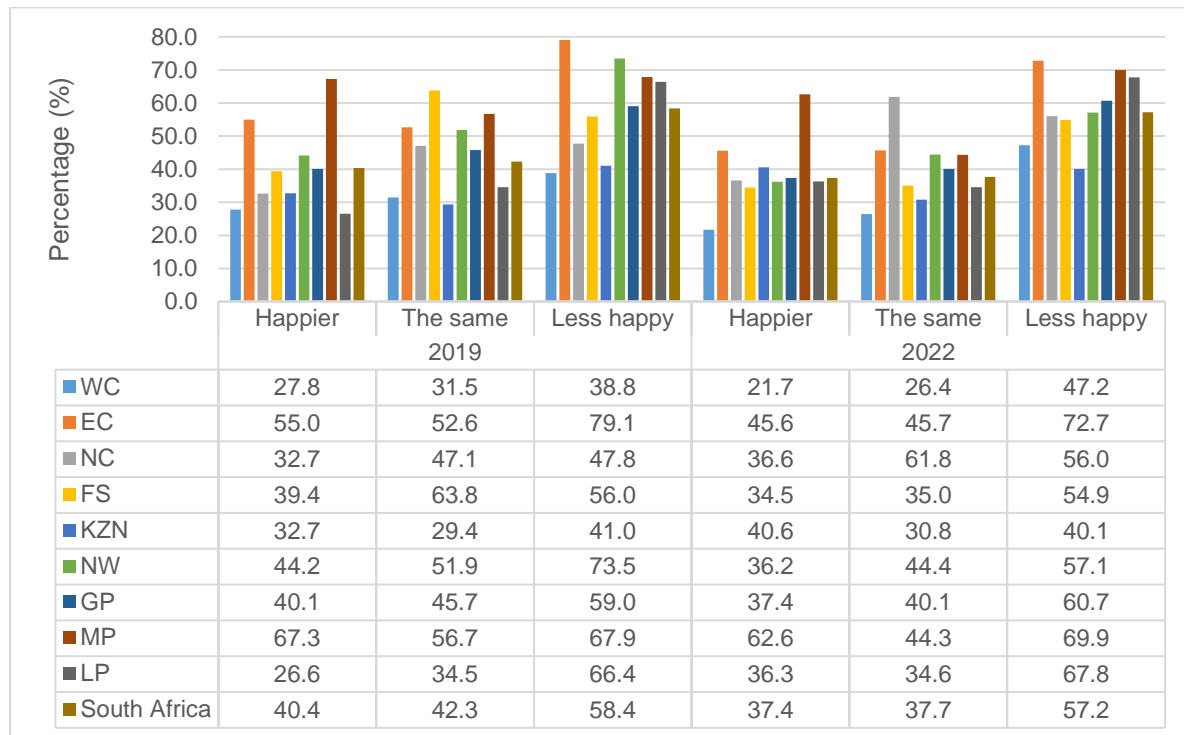
Figure 4.7: Poverty incidence of households by IEQ indicator, province and level of food adequacy between 2019 and 2022



The provincial poverty incidences associated with each of the three levels of food adequacy are shown in Figure 4.7. Households that fall under the severely inadequate category were predominantly associated with higher levels of poverty and are mostly located in rural-based provinces. Limpopo recorded the highest incidence of poverty at 87,4% in 2022 for households who indicated that their level of food adequacy was severely inadequate. This is 43,2 percentage points higher than the adequate estimates. A significant gap is similarly observed for the Western Cape, with a notable 46,3 percentage points difference between households with severely inadequate and adequate food levels. Nationally as well, households that reported severely inadequate food levels were most likely to be poor, followed by households that had an inadequate food supply. There's an increase in the incidence of poverty for households who indicated that they had severely inadequate food levels between 2019 and 2022 from 71,8% to 72,3%. Households with adequate food supply were identified as the least likely to be impoverished. This suggests that the incidence of poverty worsens with increased levels of food inadequacy.

4.9 Poverty profile by level of happiness

Figure 4.8: Poverty incidence of households by IEQ indicator, province and level of happiness between 2019 and 2022



The concept of happiness is becoming more widespread in the studies of subjective poverty, with the interaction between the two being a subject that has attracted much attention overtime. Figure 4.8 provides such an evidence-based assessment of the two with provincial disparities taken into consideration. For both data points, the incidence of poverty was found to decrease with an increased status of happiness. That is, households that reported to be happier than they were ten years prior to the survey were less poor than those who reported to be the same or less happy. In 2022, this pattern is witnessed nationally in the Western Cape, Eastern Cape, Free State, North West and Gauteng provinces. In 2022, poor households associated with the less happy status were most likely to be found in the Eastern Cape with an incidence of poverty at 72,7%. Poor households that perceived themselves to be in a happier state were more likely to be identified in Mpumalanga with an incidence of 62,6% in 2022.

4.10 Poverty profile by household employment status

Figure 4.9: Poverty incidence of households by IEQ indicator, province and household employment status between 2019 and 2022

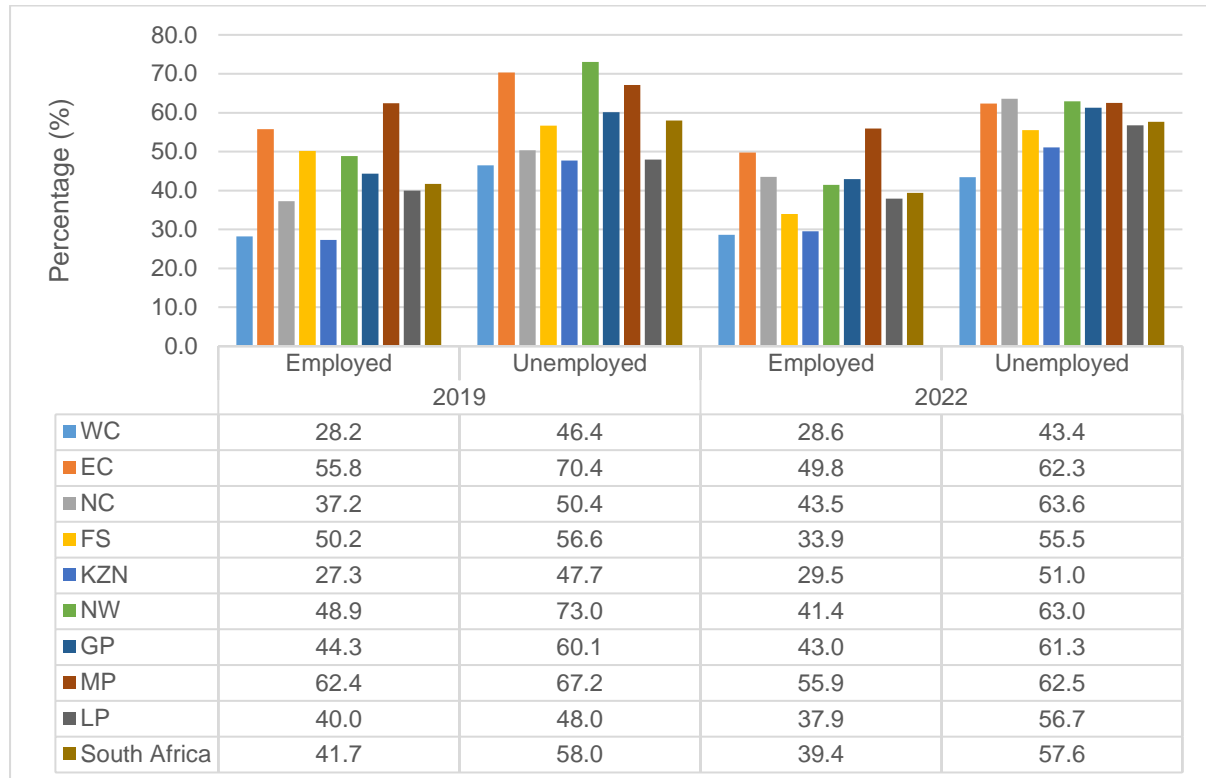


Figure 4.9 shows the incidence of poverty by province and employment status of households with at least one household member employed or where there is no one employed between 2019 and 2022. Nationally, for both data points it shows that in households where there is no one is employed the incidence of poverty is higher compared to households in which there is at least one member employed. When the incidence of poverty is evaluated by province, households no employed members had higher poverty levels compared to those where there was at least one member employed. This indicates that employed status plays a role in determining the poverty status of a household. In 2022 for households with an unemployed status, Northern Cape had the highest poverty incidence at 63,6% closely followed by North West (63,0%). For households with an employed status in 2022, the Western Cape (28,6%) had the lowest incidence of poverty followed by KwaZulu-Natal (29,5%). Mpumalanga (55,9%) had the highest incidence for households with at least one person employed.

4.11 Poverty profile by medical-aid status

Figure 4.10: Poverty incidence of households by IEQ indicator, province and medical-aid status of households between 2019 and 2022

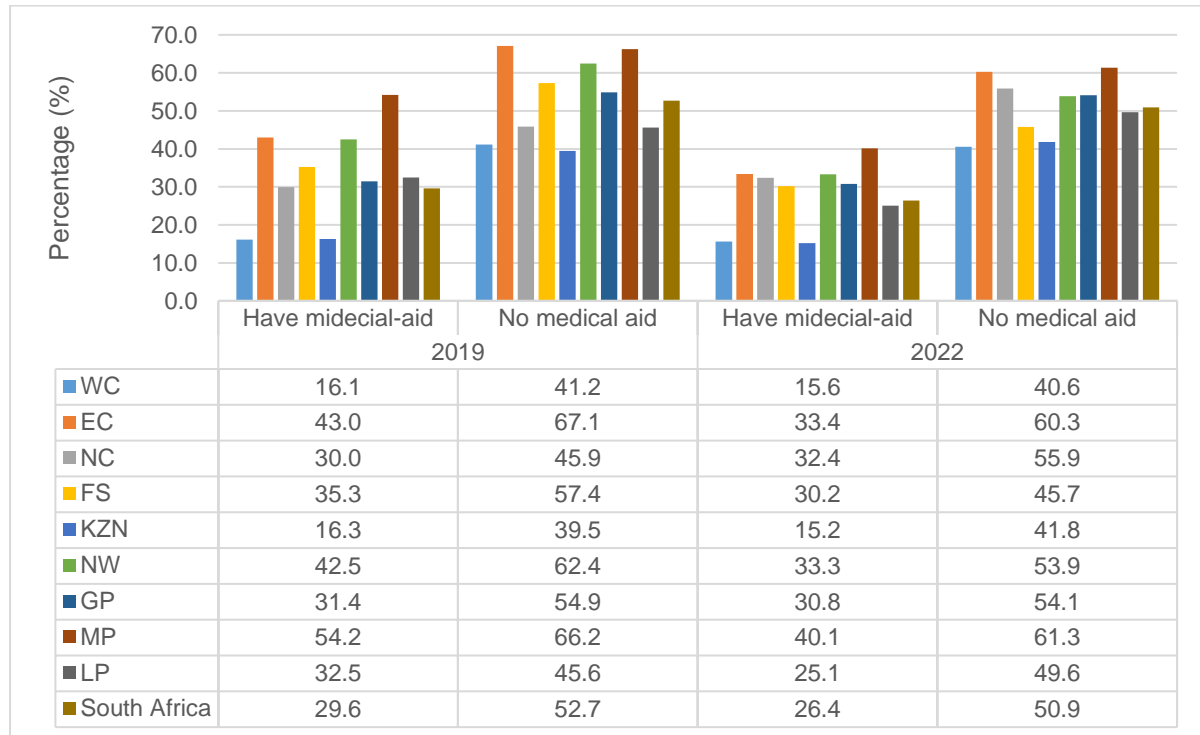


Figure 4.10 indicates the incidence of poverty by medical-aid status of households with at least one member belonging to a medical-aid scheme. Nationally, for the two data points, it shows that the incidence of poverty for households with at least one member belonging to a medical-aid are lower compared to those with no household member belonging to a medical-aid which are considerably higher. In 2022, when provinces are taken into consideration, Mpumalanga (61,3%) had the highest incidence for households without a member covered by medical-aid followed by the Eastern Cape (60,3%). For provinces with at least one household member belonging to a medical-aid, in 2022, KwaZulu-Natal (15,2%) had the lowest incidence of poverty followed closely by the Western Cape (15,6%).

4.12 Poverty profile by health status

Figure 4.11: Poverty incidence of households by IEQ indicator and health status of household head between 2019 and 2022

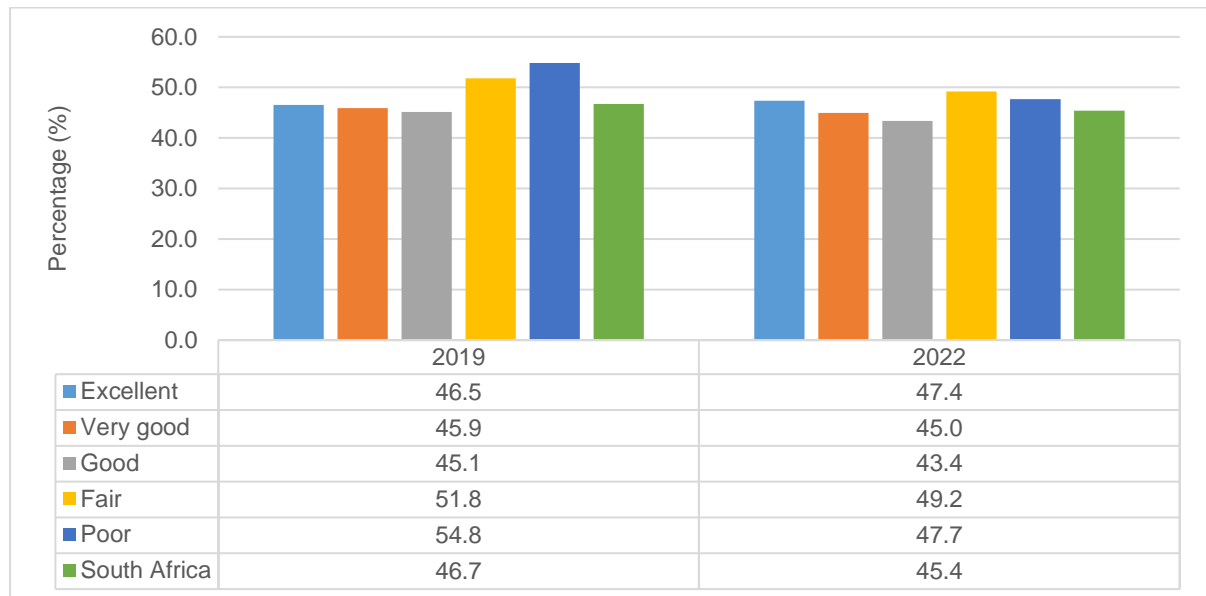


Figure 4.11 illustrates the incidence of poverty by the health status of the household head between 2019 and 2022 with indications that the health status might have an influence on poverty status. Nationally, between 2019 and 2022, households headed by those with fair health status had the highest incidence of poverty which declined from 51,8% in 2019 to 49,2% in 2022. They were followed by households headed by those with poor health status which also declined from a high of 54,8% in 2019 to 47,7% in 2022. Households headed by those with an excellent health status had the third highest incidence of poverty in 2022. Interestingly, between 2019 and 2022 only households headed by those with an excellent health status experienced an increase in their poverty levels when compared with those of other health statuses, they increased from 46,5% to 47,4% respectively. The lowest incidence of poverty was experienced by households headed by those with a good health status which declined from 45,1% in 2019 to 43,4% in 2022.

Chapter 5: Minimum Income Question (MIQ)

5.1 Introduction

This chapter describes how subjective poverty is measured using the Minimum Income Questions (MIQ) indicator. Sections 5.2 to 5.8 outline subjective poverty by marital status, household size, household composition, inter-generational households, number of bedrooms, experience of hunger and level of food adequacy. We conclude by analysing subjective poverty by happiness status, employment status, medical-aid status and health status in Sections 5.9 to 5.12.

5.2 Poverty profile by marital status

Figure 5.1: Poverty incidence by MIQ indicator and marital status of the household head between 2019 and 2022

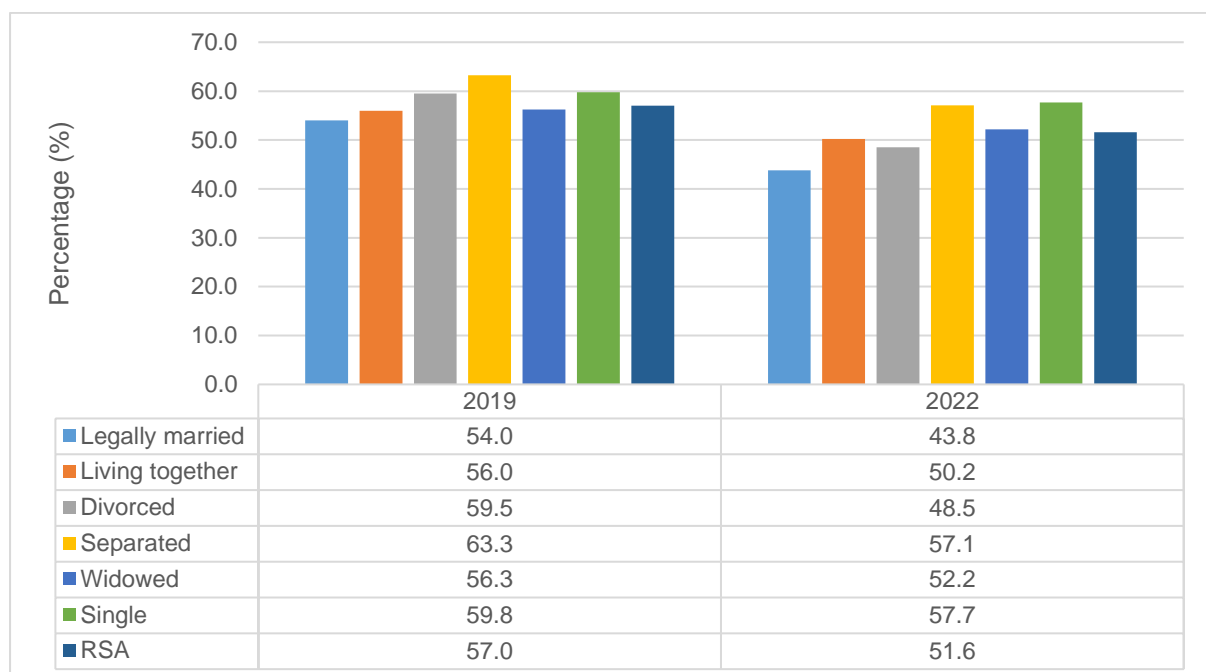


Figure 5.1 depicts the poverty incidence for the MIQ measure by marital status of the household head for the period under review which is 2019 and 2022. Household heads who are legally married as their marital status were the least likely to be recognized as poor during the period under review from 54,0% in 2019 to 43,8% in 2022 followed closely by those who were divorced from 59,5% in 2019 to 48,5% in 2022. The largest percentage reduction across all the marital status groups was experienced by those divorced. Even though there was a decline across all the categories, the household heads who were widowed or single showed the smallest declines from 56,3% to 52,2% and 59,8% to 57,75%, respectively.

5.3 Poverty profile by household size

Figure 5.2: Poverty incidence by MIQ indicator and household size between 2019 and 2022

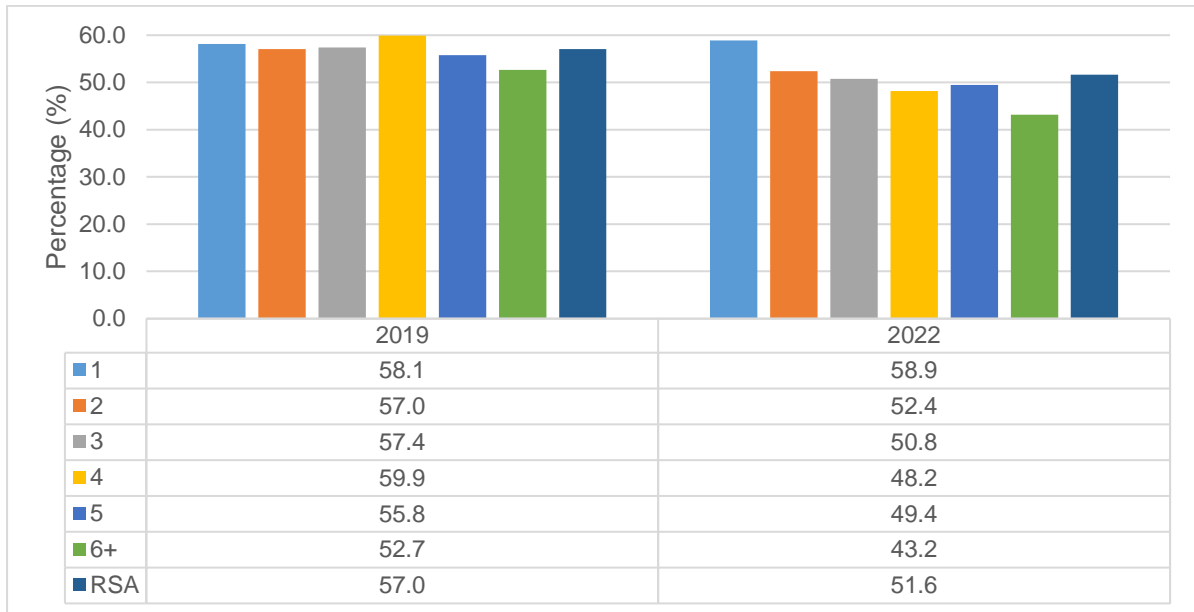
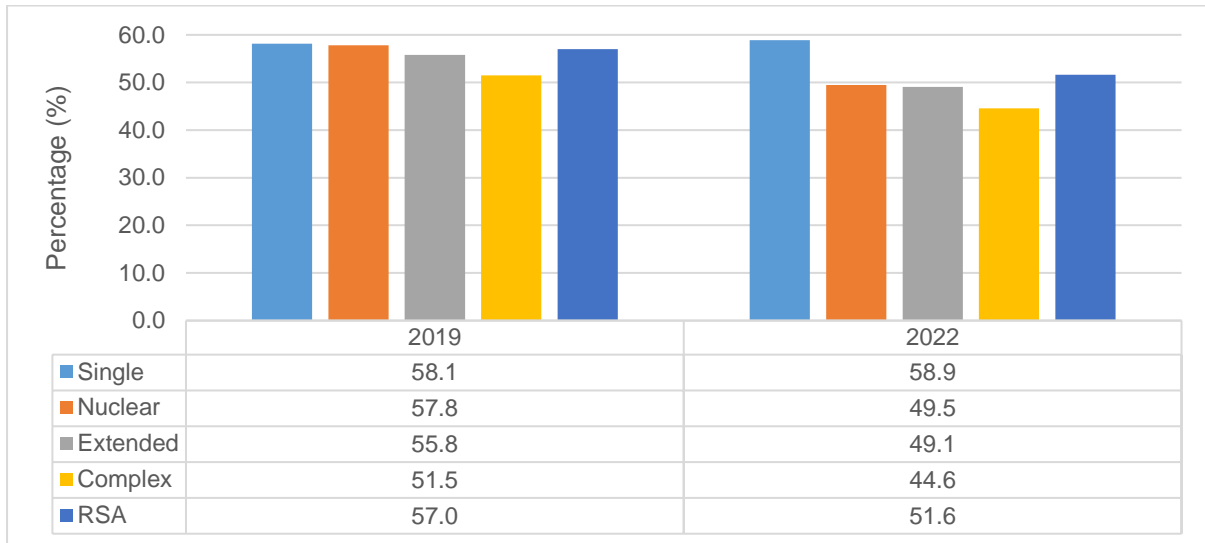


Figure 5.2 shows the incidence of poverty by MIQ measure and household size between 2019 and 2022. There is an assumption that the poverty risk reduces as the household size increases. Looking at 2019, the poverty incidence for households consisting of four members was 59,9% relative to one person households which was at 58,1%. Those households comprised of four members showed the biggest decrease from 59,9% in 2019 to 48,2% in 2022, followed by three member households with a decrease from 57,4% in 2019 to 50,8% in 2022. One person households are the only category that showed an upward trajectory increasing from 58,1% in 2019 to 58,9% in 2022 compared to the other categories.

5.4 Poverty profile by household composition

Figure 5.3: Poverty incidence by MIQ indicator and household composition type between 2019 and 2022



The incidence of poverty and household composition type is illustrated in Figure 5.3, which describes a structure based around the core nuclear unit. The nuclear household consist of spouses living alone, or with their children. As depicted, the poverty incidence for nuclear households decreased from 57,8% in 2019 to 49,5% in 2022 which is the largest decline across all the different composition types. Extended households consist of a nuclear core combined with other family members such as parents or siblings and the incidence of poverty for this household composition type declined from 55,8% in 2019 to 49,1% in 2022. Complex households consist of non-related people and their poverty incidence declined from 51,5% in 2019 to 44,6% in 2022. The only composition type that showed an upward trend were single-person households which increased from 58,1% in 2019 to 58,9% in 2022 showing consistency with the Figure 5.2 that dealt with household size.

5.5 Poverty profile by inter-generational households

Figure 5.4: Poverty incidence by MIQ indicator and inter-generational households between 2019 and 2022

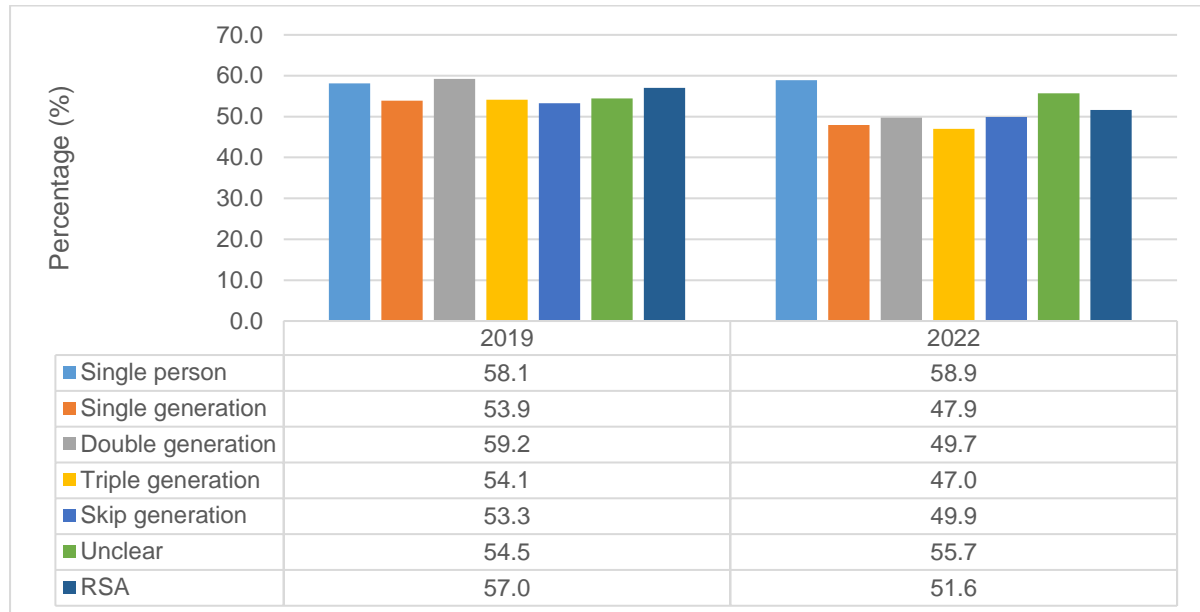
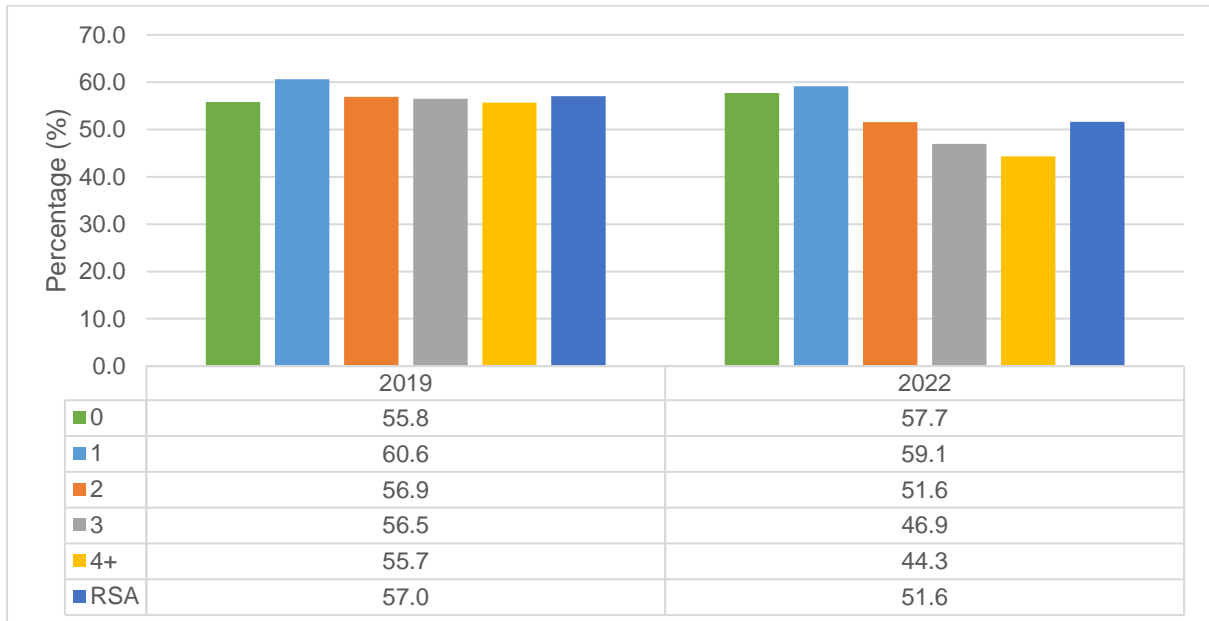


Figure 5.4 shows the incidence of poverty of households based on their inter-generational situation during the period under review. Double generation households which consist of parents and children had the highest risk of poverty at 59,2% in 2019 but also showed the biggest decline in between 2019 and 2022 of 9,5 percentage points to 49,7%. Triple generation households comprised three generation of families (grandparents, parents and grandchildren) in the same household decreased by 7,1 percentage points from 54,1% to 47,0% between 2019 and 2022. Single generation households which consist of partners or siblings living together showed the lowest risk to poverty over the two years at 53,9% and 47,9% respectively. Single person households showed the most consistent incidence rates across the two years at 58,1% in 2019 and 58,9% in 2022.

5.6 Poverty profile by number of rooms

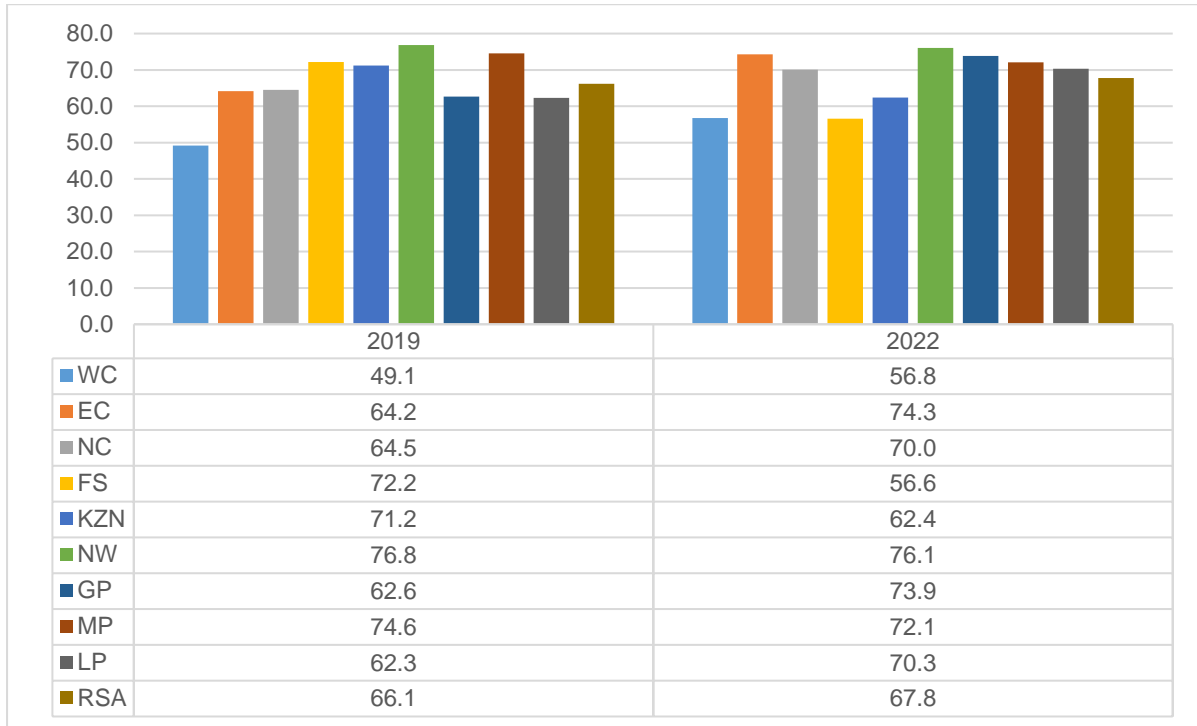
Figure 5.5: Poverty incidence by MIQ indicator and number of bedrooms between 2019 and 2022



According to Figure 5.5, households that occupy one bedroom dwellings have a higher risk of poverty than households that occupy more than one bedroom as indicated by the figure at 60,6% for 2019 and 59,1% for 2022 which also shows a 1,5 percentage points drop between the two years. Households that occupy dwellings with four or more bedrooms had the lowest risk of being identified as poor at 55,7% in 2019 and 44,3% in 2022. Dwellings occupied with no bedroom was the only category that showed an increase of 1,9 percentage points from 55,8% in 2019 to 57,7% in 2022. It is clear that households living in dwellings with more bedrooms are less likely to be identified as poor as opposed to those households that occupy dwellings with less bedrooms especially in 2022.

5.7 Poverty profile by experience of hunger

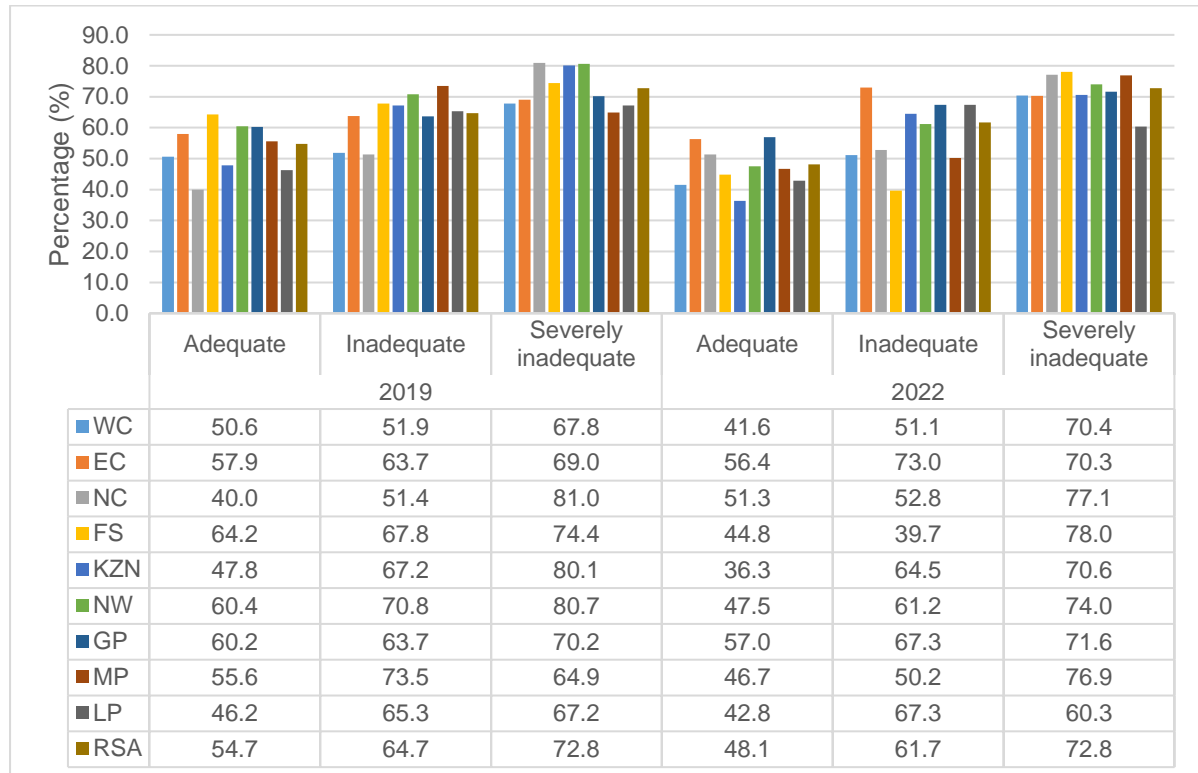
Figure 5.6: Poverty incidence by MIQ indicator, province and experience of hunger between 2019 and 2022



The incidence of poverty by province for households who experienced hunger between 2019 and 2022 is depicted in Figure 5.6. The only province with a significant reduction in households who experienced hunger was a 15,6 percentage points decrease from 72,2% in 2019 to 56,6% in 2022 for the Free State which had the lowest incidence of poverty of households who experienced hunger in that year. In 2019, the Western Cape had the lowest number of households who experienced hunger at 49,1% but that increased to 56,8% in 2022. The proportion of households who experienced hunger and were identified as poor increased in the Western Cape, Eastern Cape, Northern Cape and Limpopo with the biggest increase occurring in Gauteng from 62,6% in 2019 to 73,9% in 2022 which translates into an 11,3 percentage points increase.

5.8 Poverty profile by level of adequacy

Figure 5.7: Poverty incidence by subjective poverty indicator, province and level of food adequacy between 2019 and 2022



Nationally, as depicted by Figure 5.7, the incidence of poverty for households who reported that the level of their food adequacy was adequate and inadequate decreased between 2019 and 2022 while those whose level of adequacy were severely inadequate remained constant. Poverty levels for households who reported adequate food levels decreased from 54,7% in 2019 to 48,1% in 2022 while those with inadequate food levels dropped from 64,7% in 2019 to 61,7% in 2022. Those households that indicated that their adequacy level is severely inadequate were mainly in the Northern Cape, KwaZulu-Natal and North West, with the largest poverty decline occurring in KwaZulu-Natal from 80,1% in 2019 to 70,6% in 2022. When examining poverty in terms of adequate food adequacy, households in the Northern Cape had the lowest incidence of poverty at 40,0% in 2019 but increased by 11,3 percentage points to 51,3% in 2022. When assessing households that reported adequacy levels as inadequate, Free State had showed the biggest improvement with a 28,1 percentage points reduction in their poverty levels from 67,8% in 2019 to 39,7% in 2022.

5.9 Poverty profile by happiness status

Figure 5.8: Poverty incidence by MIQ indicator, province and happiness status between 2019 and 2022

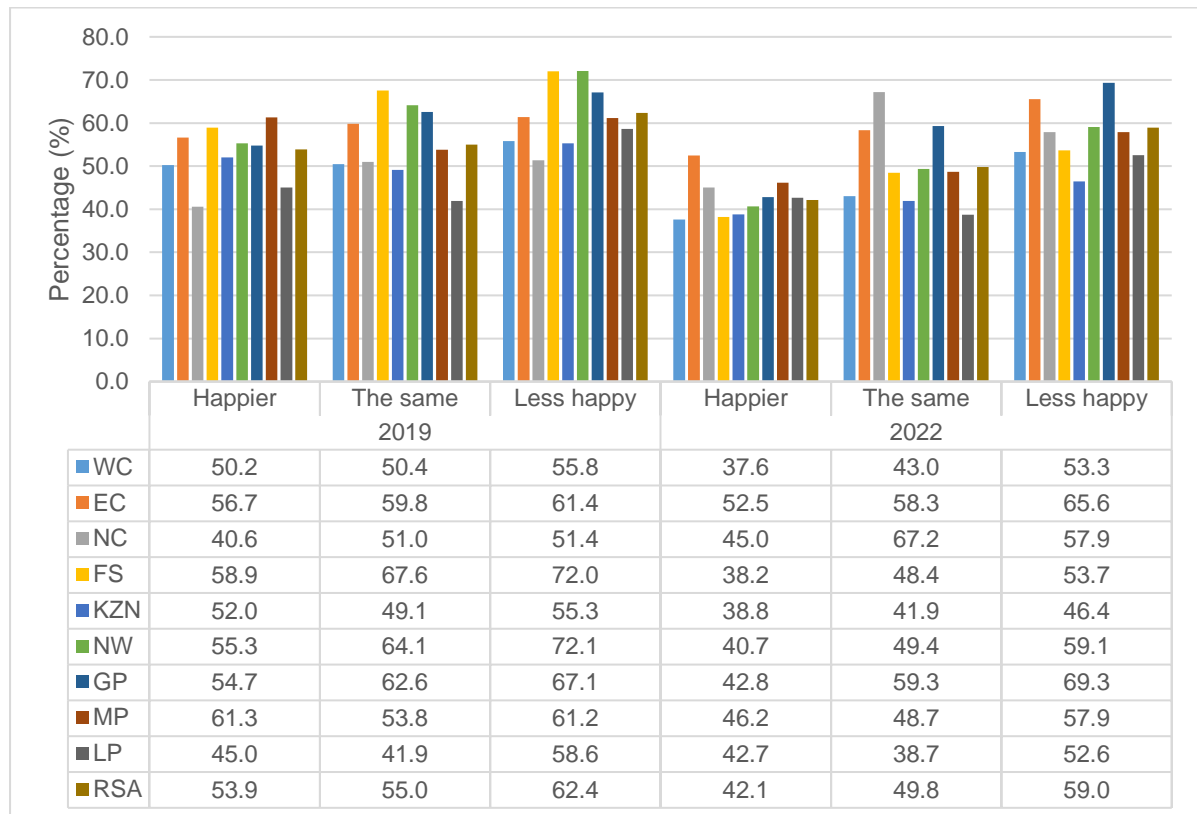


Figure 5.8 shows the relationship between the happiness status and the subjective poverty status of households based on the MIQ measure in 2019 and 2022. Overall, the incidence of poverty for those individuals residing in households that were happier in 2019 decreased by 11,8 percentage points from 53,9% in 2019 to 42,1% in 2022. Those who indicated that the happiness status remained the same declined from 55,0% in 2019 to 49,8% in 2022 while those who were less happy decreased from 62,4% in 2019 to 59,0% in 2022, which translates to a 3,4 percentage points reduction.

5.10 Poverty profile by household employment status

Figure 5.9: Poverty incidence by MIQ indicator, province and households' employment status between 2019 and 2022

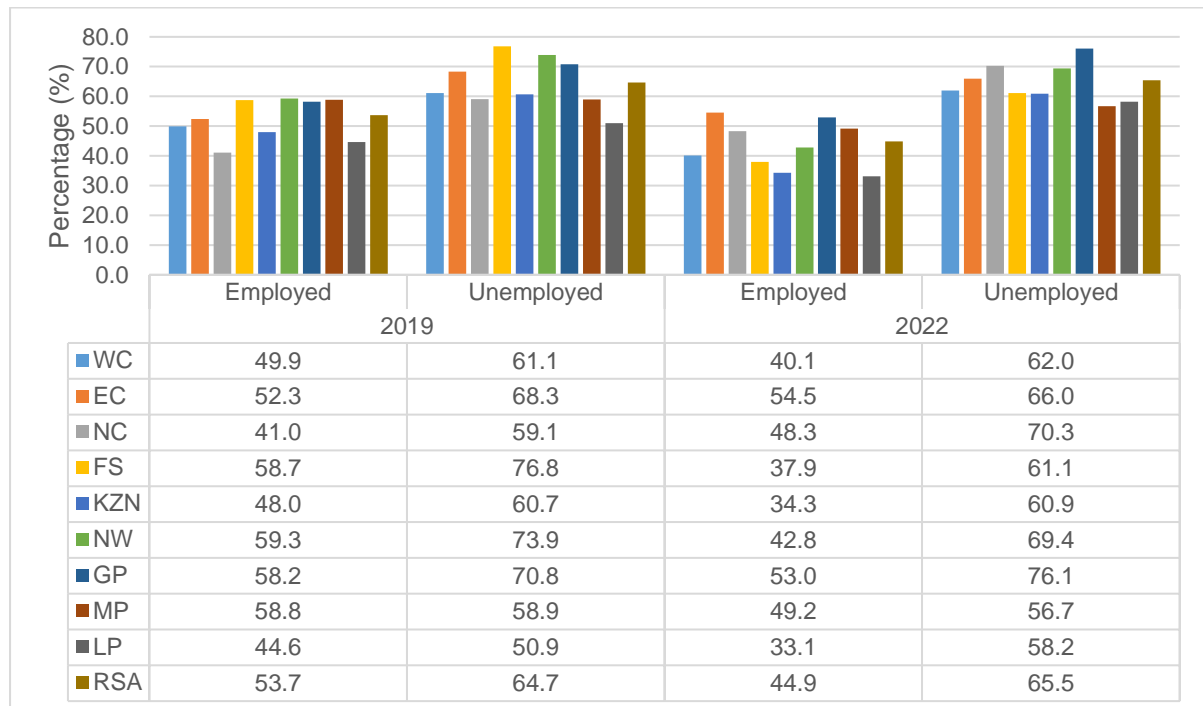


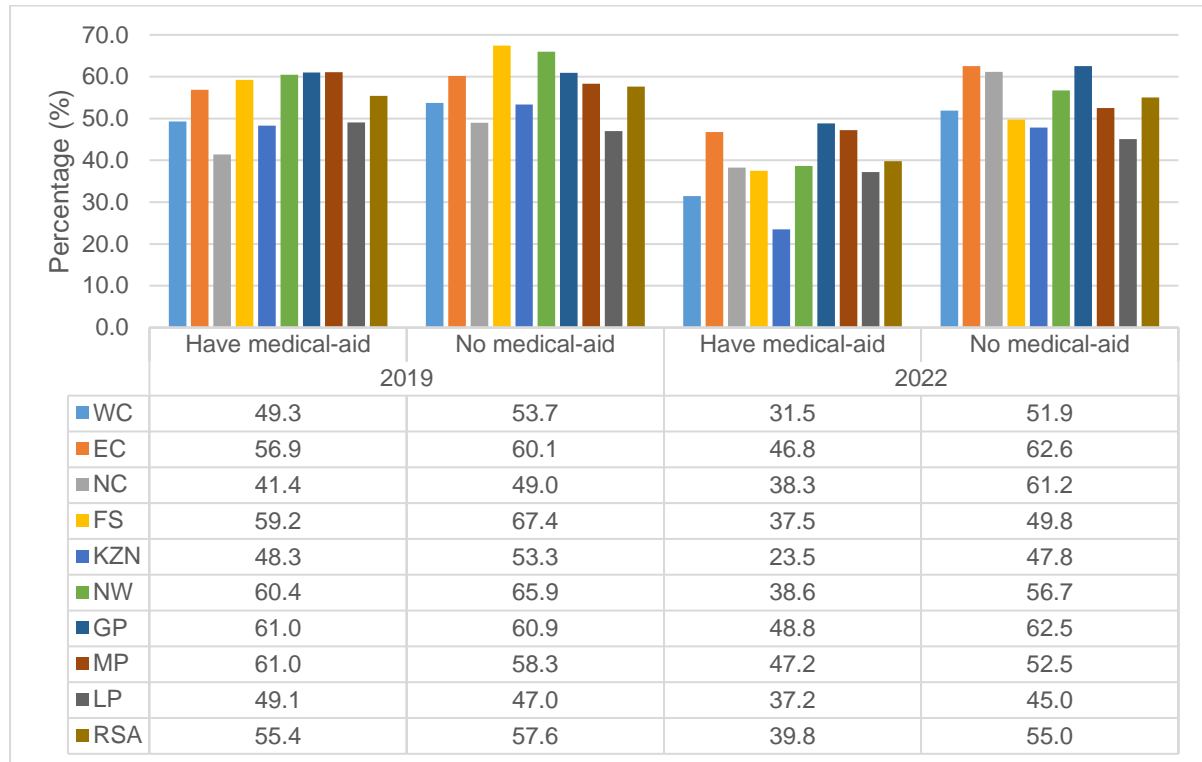
Figure 5.9 shows the incidence of poverty by province and the employment status of households between 2019 and 2022. As expected, the incidence of poverty in households where no member of the household was employed had higher poverty levels at 64,7% in 2019 and 65,5% in 2022. If we compare this to those households where at least one member was employed, the poverty incidence is about 11 percentage points less in 2019 and approximately 20,6 percentage points less in 2022.

The Eastern Cape, Free State, North West, Mpumalanga and Gauteng had the highest incidence of poverty in 2019 for households with unemployed status, and this pattern was repeated in 2022. An interesting point to note is that the Free State showed a decline in poverty levels by 15,7 percentage points from 76,8% in 2019 to 61,1% in 2022 while Gauteng showed an increase from 70,8% to 76,1% between the two years under review.

Those households with employed status in the Northern Cape had the lowest poverty incidence at 41,0% in 2019 but rose to 48,3% in 2022. Meanwhile the Western Cape poverty levels declined by 9,8 percentage points from 49,9% in 2019 to 40,1% in 2022.

5.11 Poverty profile by medical-aid status of households

Figure 5.10: Poverty incidence by MIQ indicator, province and medical aid status of households (with at least one member of household with medical-aid) between 2019 and 2022



As shown by Figure 5.10, whether household members have a medical-aid can influence their subjective poverty status. Usually, as shown in the graphic, those households with at least one member having medical-aid had lower poverty levels relative to households with no member having a medical-aid. When assessing households by provinces, the Northern Cape had the lowest incidence of poverty for households with at least one member that had medical-aid at 41,4% in 2019, while Gauteng and Mpumalanga had the highest incidences at 61,0% each. KwaZulu-Natal had the lowest incidence of poverty for households with at least one member having a medical-aid at 23,5% in 2022 from 48,3% in 2019 which translates to 24,8 percentage points reduction in terms of poverty levels which was also the biggest reduction when compared to other provinces.

5.12 Poverty profile by health status of household head

Figure 5.11: Poverty incidence by MIQ indicator and health status of household head between 2019 and 2022

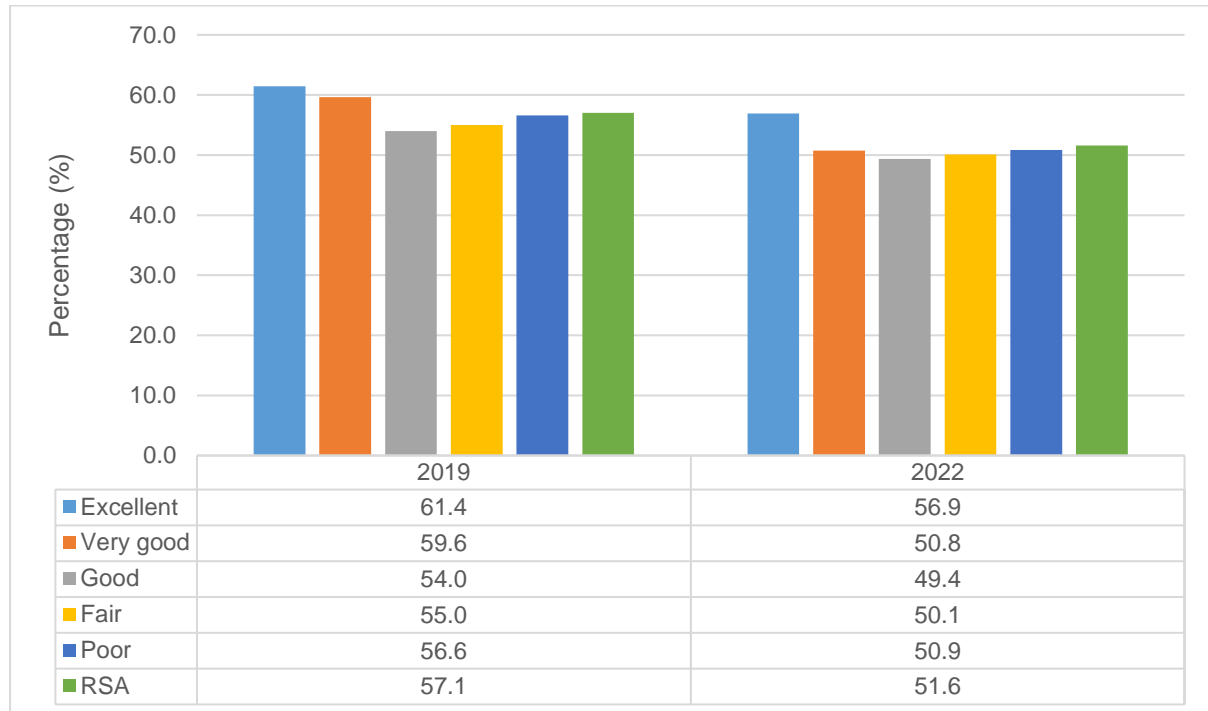


Figure 5.11 indicates that the health status of the household head between 2019 and 2022 can have an impact on the subjective poverty status of the entire household. Surprisingly, the figure shows that households headed by those with excellent health status had the highest incidence of poverty with proportions of 61,4% in 2019 and 56,9% in 2022. Households headed by those with good health status had the lowest incidence of poverty across the years at 54,0% and 49,4% respectively. Households headed by those with poor health status had poverty levels which were similar to those with fair health status which is unexpected.

Glossary

Complex households:	Consist of a nuclear or extended household core and non-related individuals
Double generation households:	Consist of family members from at least two generations, i.e. parents and children
Employed status:	Households with at least one household member working or owning a business
Extended households:	Family that extends beyond the nuclear family and which consists of parents, their children, and other family members such as aunts, uncles, grandparents and cousins, all living in the same household.
Household:	Group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.
Household head:	Main decision-maker, or the person who owns or rents the dwelling, or the person who is the main breadwinner.
Household income:	All receipts by all members of a household, in cash and in kind, in exchange for employment, or in return for capital investment, or receipts obtained from other sources such as pension, etc.
Household member:	Person that resides with the household for an average of four nights a week.
Multiple household:	When two or more households live in the same dwelling unit.
Nuclear households:	Consist of spouses living alone, or with their children
Settlement type:	Settlement type refers to the characteristic of an area according to settlement characteristics
Single generation households:	Consist of family members from the same generation (i.e. siblings, parents) living together.
Skip generation households:	Comprised of grandchildren living with one or more grandparents in the absence of any biological parents
Subjective poverty:	Self-perceived economic and social well-being
Triple generation households:	Contains three generations of families (grandparents, parents and grandchildren) in the same household.
Urban:	Formal cities and towns characterised by higher population densities, high levels of economic activities and high levels of infrastructure
Unemployed status:	Households with no household member working or owning a business

Rural:

Farms and traditional areas characterised by low population densities, low levels of economic activity and low levels of infrastructure

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