

## ***GOAL 1: Eradicate Extreme Poverty and Hunger***

**Target 1: Halve between 1990 and 2015 the proportion of people whose income is less than US\$1 per day**

### **Background**

South Africa as a country is taking a longer-term and more in-depth perspective on addressing poverty than merely looking at the monetary aspects of this phenomenon. It is attending to the basic needs of the poor by providing better infrastructure, such as access to clean water and electricity. It is also giving attention to achieving sustainable developmental goals by creating opportunities for all, for example giving clinic-based, free primary health care for all, and providing compulsory education for all those aged 7 – 15 years. It is also providing financial assistance for children, in terms of child grants, and school feeding schemes. In addition, it is providing comprehensive social security for the vulnerable, for example, people with disabilities and the elderly, by means of social security grants. These grants, which presently reach over 8 million beneficiaries, act as a safety net against extreme poverty. These services and grants constitute the social wage which was estimated at R88 billion in 2003.

### **Measurement**

Measurements indicated in this section, in relation to Goal 1 as shown in Table 1, are based on internationally recommended monetary measures. They do not include those unique monetary measures developed specifically for South Africa, since these are not internationally comparable. Also, they do not include aspects of the social wage reflected above.

When collecting monetary measures of wealth and poverty, Statistics South Africa (Stats SA), the official statistics agency of the country, undertakes an Income and Expenditure Survey (IES) every five years, which forms the basis of assigning weights to purchases of goods and services for the Consumer Price Index (CPI). The last survey was conducted in 2000 and the next one is presently being conducted (in 2005). This survey has also been used to calculate the extent of poverty in the country in monetary terms. Other Stats SA household surveys, such as the annual General Household Survey, measure other indicators of poverty, including access to facilities and services.

The 1995 IES may have less precision than the one conducted in 2000. It was not based on clearly demarcated and adequately mapped enumeration areas, whereas the 2000 IES was based on improved demarcation and listing of households, based on Census 1996, as described in the profile of the country in this report, and it is expected to have better coverage and more representivity than the earlier survey. When comparing the results of the IES of 1995 and 2000, the extremes, i.e. the proportions in the poorest and the wealthiest categories, tend to show more variation

than those falling between the extremes. The income and expenditure patterns of those falling outside the extreme ranges are similar for both years, when inflation is taken into account. The extremes do not therefore reflect the overall trends.

On an international scale, South Africa is classified as a middle-income country. This means that the international poverty lines fall within the 10 to 30 percent of population range, compared to other poorer countries where these lines are more centrally located. The positioning of the international lines towards the extreme end of the South African expenditure distribution implies that these estimates are subject to extreme values and any fluctuations between the two periods have to be interpreted with this in mind. In view of these data issues, the baseline for poverty measurement in this report is 2000, and not 1995. The country therefore has only one, more precise, year of reference for an internationally comparable monetary measurement at this stage.<sup>1</sup>

**Table 1 Summary of international poverty and inequality measures for South Africa: 2000**

INDICATOR	2000	Target	Progress towards target
Proportion of population living below international poverty line of US\$1/day (or R87/month)*	11,3%	5,7% by 2015	Attainable
international poverty line of US\$2/day (or R174/month)*	34,4%		
	0,031		
	0,131		
	0,59 <sub>2</sub>		
consumption	2,8		

**Source:** Stats SA. Based on 'A poverty profile of South Africa' Statistics South Africa (2005) (using the 1995 and 2000 Income and Expenditure Surveys, the 1995 October Household Survey, and the September 2000 Labour Force Survey). PPP: Purchasing Power Parity Equivalents in 2000 prices (US\$, and Rands)

<sup>1</sup>

For those readers who require information on the 1995 IES, the measures are as follows: proportion of population living below international poverty line of US\$1/day or R87/month, 7,6%; proportion of population living below international poverty line of US\$2/day or R174/month, 30,9%; poverty gap at US\$1/day, 0,018; poverty gap at US\$2/day, 0,106; Gini coefficient, 0,59; Share of the poorest 20% in national consumption, 3,4%.

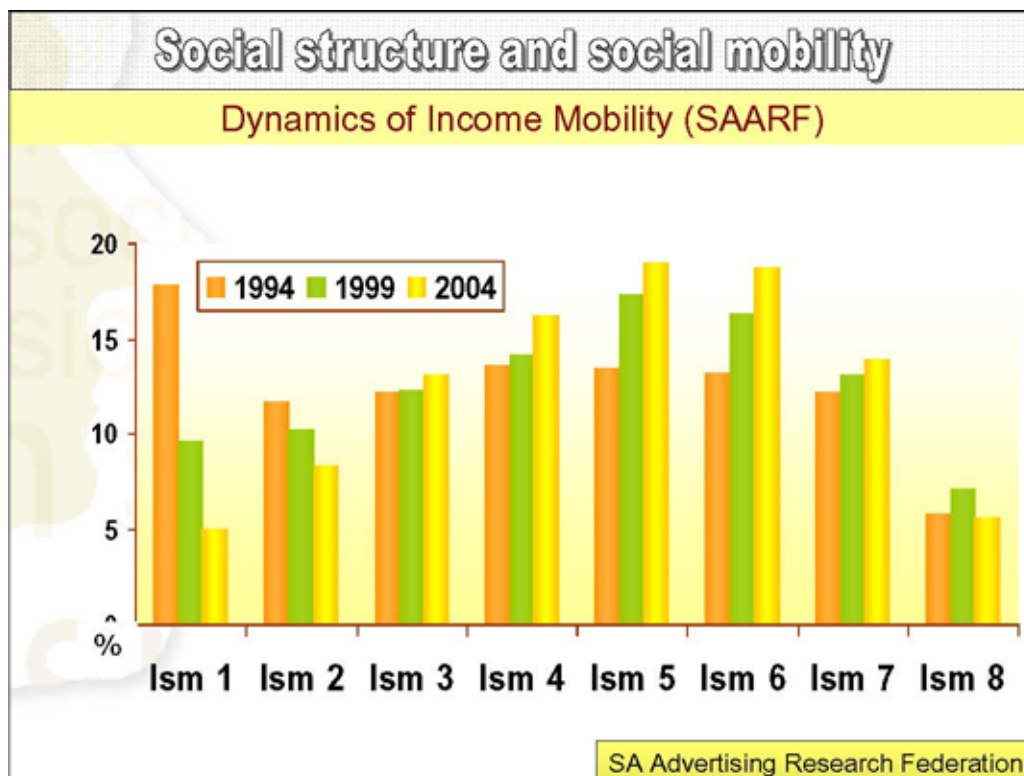
<sup>2</sup>

0.59 is Gini coefficient excluding social transfers. If transfers are taken into account, the Gini Coefficient is 0.35

## National estimates of poverty and inequality

Table 1 shows that, in 2000, 11% of people were living on less than US \$1 a day, and 34% were living on less than US \$2 a day. No trend line can be drawn at this stage.

The table also shows the poverty gap ratio, which is a measure indicating the mean distance or shortfall below the poverty line (counting the non-poor as having zero shortfall), expressed as a percentage of the poverty line. This ratio is indicated for those living below both the \$1 a day and the \$2 dollar a day cutoff points in 2000. Using expenditure-related indices, particularly the Living Standards Measurements of the SA Advertising Research Foundation, it emerges that the proportion of poorest South Africans has been decreasing.



### ***Inequality***

Expenditure share measures indicate the proportion of expenditure for each quintile of households in South Africa, between 1995 and 2000. Table 1 shows that in 2000 the poorest 20% accounted for 2.8% of total expenditure. In contrast, the wealthiest 20% of households accounted for 64.5% of all expenditure in 2000. The Gini coefficient, another widely used measure of inequality, was 0.59 in 2000 (when social transfers are excluded, if included it was 0.35).

## Infrastructure and services for the poor

As already noted, poverty is a multidimensional phenomenon that cannot be exclusively measured in monetary terms. One important dimension is the contribution of the social wage, which is a measure of how individuals benefit from the provision of publicly funded services.

Table 2 shows that, on the basis of Stats SA's October household survey of 1995 and labour force survey of September 2000, South African households generally experienced improved access to electricity, piped water, telecommunications and infrastructure between the two time periods. The only exception is sanitation, for which levels of access remained relatively constant. This can be attributed to rapid changes in demographics and migration trends.

Households where individuals were living on less than US\$ 1 per day started out with relatively low levels of access to infrastructure and services in 1995, but the proportion with access had increased by 2000. For example, access to public electricity increased from 20% to 31%, access to piped water rose from 45% to 48%, access to telecommunications increased from 1% to 5%.

**Table 2 Changes in Household access to Basic Services by poverty group: 1995 and 2000**

Basic Service	Year	Percentage of households with access within each poverty group		
		Less than US\$1/day (household per capita expenditure)*	Less than US\$2/day (household per capita expenditure)*	All households
Public electricity	1995	20	26	60
	2000	31	42	70
Piped water	1995	45	52	76
	2000	48	59	82
Sanitation facility	1995	57	68	85
	2000	57	67	85
Telecommunications	1995	1	3	26
	2000	5	10	36

**Source:** 'A Poverty Profile of South Africa between 1995 and 2000', Statistics SA (based on the 1995 and 2000 Income and Expenditure Surveys, 1995 October Household Survey and the September 2000 Labour Force Survey) Poverty

groups are categorized as households with per capita expenditure of less than PPP US\$1/day or PPP US\$2/day.

**Target 2: Halve between 1990 and 2015 the proportion of people who suffer from hunger**

## Hunger: status and trends

A national study conducted by the South African Vitamin A Consultative Group (SAVACG) in 1994, and published in 1995, revealed that 9% of South African children aged between 6 and 71 months were underweight and 1% was severely underweight. Five years later, the National Food Consumption Survey, conducted among a *different age group* of children, i.e. those aged between 12 - 71 months, showed that 11% were underweight. Stunting (low height for age) remained approximately the same across the two groups, at 22,9% of children aged 6 – 71 months in 1994 and 23,3% of children aged 12 – 71 months in 1999. The prevalence of wasting (low weight for height) also remained approximately the same at 2,6% in 1994 and 3,6% in 1999, as indicated in Table 3. The comparisons given here should be treated with caution since the age groups are not the same, and the data focus on two points in time among extreme groups, without taking the overall distribution into account.

**Table 3 Summary National Hunger Statistics, 1994-1999**

INDICATOR	1994 (6-71 months)	1999 (12-71 months)	Target	Progress towards target
Prevalence of underweight children under-five years of age	9,3	11,1	5,6% by 2015	Gradual
Percent of children showing wasting	2,6	3,6	1,3% by 2015	Gradual
Percent of children showing stunting	22,9	23,8	11,9% by 2015	Gradual

**Sources:** *South African Vitamin A Consultative Group (1995); Department of Health (2000)*

**Notes:** ‘underweight’ refers to the proportion of children with a weight for age that is under 2 standard deviations from the norm (reference population median). ‘Stunting’ is defined as the proportion of children with height for age under 2 standard deviations from the norm (reference population median). ‘Wasting’ refers to the proportion of children with weight for height that is under 2 standard deviations from the norm (reference population median.)’