

Characteristics of Households Living in Poverty

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1 Introduction

A vast majority of people in the World's population live in extreme poverty. In line with global trends, it is estimated that the proportion of people living in poverty in South Africa has not changed significantly between 1996 and 2001. In fact, households living in poverty and the gap between rich and poor have widened. This poverty gap has grown from R56 billion in 1996 to R81 billion in 2001, a growth faster than the growth of the economy, which indicates that poor households have not shared in the benefits of the economic growth (Schwabe, 2004).

South Africa is classified as an upper middle income country by the World Bank (World Bank, 1990), yet a vast proportion of its population are living in absolute poverty. There were policies that were formulated (Republic of South Africa, 1994 and Republic of South Africa, 1996a) in response to this situation and the aim was to alleviate and reduce inequality among races and between rich and poor. The formulation of anti-poverty policies is hampered by a lack of baseline information regarding poverty. Policies cannot be formulated without the knowledge of whom the poor are and where are they located.

Rather than looking at existing resources and asking what incremental improvements can be made, the solution to eradicate poverty need to be determined around those solutions (Mc Arthur, 2004). In order to fight global poverty we should address its root causes: access to health services, water, sanitation, energy (electricity), housing, children, gender equality, access to education and employment status.

In the City of Cape Town, like the rest of South Africa, there are vast disparities between the wealthiest communities comfortable first world conditions and the poorest, who live in conditions similar to the worst found in developing countries mainly determined by broad socio-economic and environmental factors such as income, sanitation, rather than the availability of health services, it is not surprising that there are gross health inequalities resulting from the history of apartheid.

Because of Apartheid's racial and economic policies the communities of Cape Town remain separated in racial terms as they were in decades ago. Poorer communities live on the periphery of the urban area and the City of Cape Town continues to struggle to meet the housing, infrastructure and services backlog.

The main aim of this report is to highlight the characteristics of households living in poverty in Cape Town through analysing some government measures in alleviating poverty and legality around poverty, annual household income, housing status, health, women and children poverty, education status and access to basic services.

2 Definition of Terms

2.1 Poverty

Some people describe poverty as a lack of essential items, such as food, clothing, water, and shelter needed for proper living. Poverty is a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information (World Summit for Social Development, 2005).

Until recently, poverty was understood largely in terms of income or a lack of one. To be poor meant that one could not afford the cost of providing food or a home. But poverty is about more than a shortfall in income. It is about the denial of opportunities and choices that are widely regarded as essential to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and the respect of others. People don't live in squatter communities or low cost housing because they want to. They live without much opportunity to improve their lives. They have no other choice. Some people call that human poverty. Poverty manifests itself in the deprivation of people's lives in the denial of the opportunity (United nations, 1997).

2.1.1 Absolute Poverty

The absolute approach to poverty can be helpful if poverty is to relate to a basic, fixed level of economic resources which will prevent physical and social suffering due to material deprivation. If incomes or economic resources were to fall below the poverty line, then that person would be considered to be poor in absolute terms. For example, individuals must have access to enough food to prevent malnutrition, to clean water, to a durable form of shelter, to simple clothing and to basic educational and health services. The resources necessary to ensure the provision of these basic needs would then form the threshold for determining the absolute level of poverty in an economy.

When poverty is seen in absolute terms, then steadily increasing standards of living across an entire population will be sufficient to eventually eliminate poverty. The rate at which poverty is eradicated would be determined by the rate at which the incomes of those people living in poverty, including social security provisions increase. General increases in standards of living are linked to the level of economic growth. The steadily levels of economic growth will be sufficient to eventually eliminate poverty.

2.1.2 Relative Poverty

Using a relative understanding of poverty instead of an absolute definition provides a much more textured and complex engagement with the issue of economic deprivation of society. A relative approach would identify poor households as those whose income fall significantly below the average level of income in the economy. Relative definition of poverty begins to take on board issues of

social cleavages and economic distinctions between different groups. This definition of poverty will change with economic growth and reflects the shifting norms of society with respect to basic needs as an economy develops. Unlike the case of absolute poverty, rising standards of living will not be sufficient to eliminate relative poverty if the resources available to the wealthy increase at a faster rate than the resources available to the poor.

In South Africa, high levels of both absolute and relative poverty exist. The disastrously unequal distribution of income inherited from the apartheid years means that deprivation of basic needs is accompanied by a vast economic gap between the rich and the poor. The unequal distribution of income, one of the worst in the world has created a huge pool of poverty which surrounds a small island of wealth. South Africa is poor not because it is a poor country but because the economic distance between the haves and the have-nots is enormous (South African NGO Coalition, 2002).

3 Methodology

This report uses a quantitative approach involving 2001 Population Census data and other data sources. Characteristics of households living in poverty were extracted from the 2001 Population Census.

This paper determines the degree of absolute and relative poverty in the City of Cape Town. In this report some poverty indicators that were used include basic services, household income, women and poverty, children and poverty, unemployment and education status and health.

Seven suburbs in Cape Town were selected to illustrate poverty amongst communities living under the poverty line. Suburbs were chosen in different geographical locations and with different population and housing structures. See Table 1.

Suburb	Black African	Coloured	Asian	White	Total Population
Chris Nissen Park	5.3%	94.7%	0.0%	0.0%	57
Delft South	57.3%	42.3%	0.3%	0.1%	25,532
Imizamo Yethu	95.4%	4.6%	0.0%	0.0%	8,089
Joe Slovo Park	96.0%	4.0%	0.0%	0.0%	4,869
Manenberg	4.8%	94.9%	0.2%	0.1%	46,232
Masiphumelele	97.5%	2.2%	0.0%	0.3%	8,249
Phillipi East	75.9%	24.1%	0.0%	0.0%	2,250

Table 1: Population of the selected suburbs

4 Poverty and Legal Obligations

The success of South Africa's transition to democracy and the dismantling of apartheid will ultimately be judged by our capacity to address apartheid's legacies of poverty, inequality and underdevelopment. As the 1994 Reconstruction and Development Programme observed at the outset of the democratic era, no political democracy can survive and flourish if the mass of our people remains in poverty without land and without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of our democratic Government (Republic of South Africa, 1994).

The Constitution, section 27 (1) (c) guarantees everyone the right of access to social security, if they are unable to support themselves and their dependants. The state is obliged to take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. The Constitution, section 28 (1) (c) also imposes a particular duty on the state to ensure that children under the age of 18 have access to basic nutrition, shelter, basic health care services and social services (Republic of South Africa, 1996b).

The City of Cape Town has called on the poor, aged and disabled to register for indigent benefits and rates rebate. At a time when the rapidly spiralling cost of living is increasingly marginalising the most vulnerable sectors of our society, the City of Cape Town is implementing a compassionate policy that will bring them financial relief.

Thousands of people who earn little or nothing, who are prevented by age or disability from getting jobs or who are young people compelled to manage their households can and will benefit from the City's indigent policy provided they meet its criteria and take the trouble to register.

Ratepayers who own a single home and whose total household income is R2,880 a month or less, or a minor managing a household registered in the name of his/her deceased parent/s will qualify for a 100 % rates rebate when they register themselves as indigent (City of Cape Town 2008b).

5 Basic Service Index of selected suburbs living in poverty

Suburb	% Households living in informal dwellings	% Households with no access to electricity for lighting	% Households with no flush or chemical toilet	% Households with no potable water on site or in dwelling	% Households with no refuse removal by local authority weekly or less	Service Index
Chris Nissen Park	81.50	81.50	81.50	81.50	81.50	81.50
Delft South	11.17	2.88	3.95	3.91	0.43	4.47
Imizamo Yethu	92.72	46.19	33.93	51.11	0.31	44.85
Joe Slovo Park	27.72	8.43	1.53	9.66	1.27	9.72
Manenberg	8.03	0.77	4.06	8.15	0.39	4.28
Masiphumelele	89.39	6.82	3.09	1.88	0.22	20.28
Philippi East	30.45	25.22	28.49	34.04	17.42	27.12

Table 2: Service Index of households living in poverty

Table 2 illustrates the services index of suburbs living in poverty. The higher the service index the greater the need for improved services. Access to affordable community services is an important poverty prevention strategy by helping disadvantaged people to be able to participate in social and economic life.

Poverty and unemployment has resulted in disconnection of services such as water, electricity and telephone. Because of low incomes and unemployment, people cannot afford to pay their bills, households living in poverty are facing unsustainable choices, such as between paying for water and buying the basic foodstuff needed for survival.

There is a link between poverty and migration because the poor are moving from their homes in rural areas to the urban areas in the hope to find employment. The reason for their move is poverty and unemployment. Most of them remain trapped in a poverty trap and remain unemployed (City of Cape Town 2006a).

The government has put some measures in place in an attempt to keep up with the growing demand for housing, services and education demands but still fails to create employment for everyone. There is a major need to physically improve the housing units by providing technical and material support systems and the provisions of public facilities to improve the liveability of the areas.

Another critical indicator for standard of living and poverty is access to basic services such as water, electricity and sanitation. According to the 1990 World Development Report on poverty the poor are defined as those who are unable to consume a basic quantity of clean water, and who are subject to

unsanitary surroundings, lack the minimum energy requirements and have extremely limited mobility or communications beyond their immediate settlements.

6 Socio-Economic Status (SES) of selected suburbs living in poverty

Suburb	% Adults (20+) with highest qualification < Matric	% of Economically Active Unemployed	% of Households earning < R19,200 PA	% of Labour Force in unskilled occupations	SES (Socio-Economic Status)
Chris Nissen Park	100.00	58.33	68.77	80.00	76.78
Delft South	81.48	56.57	70.88	34.31	60.81
Imizamo Yethu	80.19	45.99	70.26	57.68	63.53
Joe Slovo Park	80.74	42.61	68.19	43.68	58.81
Manenberg	86.25	37.84	48.62	27.70	50.10
Masiphumelele	78.86	60.55	83.68	55.67	69.69
Philippi East	73.72	37.22	42.06	31.02	46.01

Table 3: Socio-Economic Status of households living in poverty

Table 3 shows that very high percentages of adults have not attained at least a matric qualification, unemployment rates are high and that many of those who are employed are in unskilled occupations. It can also be seen that a high percentage of households are earning below the minimum level for household subsistence. The figure of R19,200 per annum approximates the household subsistence level for Cape Town for 2001 as calculated by the Institute for Planning Research, University of Port Elizabeth.

All estimates of poverty in this report are made in reference to a poverty line i.e. if a household earns an income lower than the stipulated poverty line or poverty income, that household and its members are deemed to be living in poverty.

In Cape Town the number of households living below the poverty line has increase from 24.7% in 1996 to 38.9% in 2005 (City of Cape Town 2006b). Poverty in Cape Town is also reflected in that the total monthly household expenditure in 2006 was under R1,200 for 36.0% of all households and between R1,200 and R2,500 for 19.1% (Statistics South Africa 2006).

7 Income Inequality

The inequality in Cape Town society is clearly shown in the distribution of income among races and households. This situation not only encourages social tension but also serves as a constraint on economic growth. The challenge facing economic planners is to raise the South African economy

onto a higher growth path, and to ensure that the greater share of the proceeds of growth accrue to the poorer sector of society (Human Science Research Council, 1995). See Table 4.

Suburbs	No income	R1 to R19,200	R19,201 to R76,800	R76,801to R307,200	R307,201 to R1,228,800	R1,228,801 and more
Chris Nissen Park	0.0%	68.8%	31.2%	0.0%	0.0%	0.0%
Delft South	31.4%	39.5%	26.8%	1.8%	0.3%	0.2%
Imizamo Yethu	25.0%	47.7%	25.0%	2.3%	0.0%	0.1%
Joe Slovo Park	23.9%	44.8%	29.5%	1.5%	0.3%	0.0%
Manenberg	11.9%	36.7%	45.7%	13.4%	0.3%	0.1%
Masiphumelele	33.1%	48.7%	17.3%	0.6%	0.4%	0.0%
Phillipi East	13.8%	28.2%	44.6%	5.4%	0.0%	0.0%

Table 4: Household income

7.1 Racial Income Inequality

When looking at the distribution of income of the labour force by ethnic group it can be seen that the percentages of Black Africans and Coloureds are far higher than those for Asians and Whites in the no income and low income groups. Whites predominate in the high income groups. See Table 5 below. Those who are unable to find employment are highly vulnerable and are at risk of being confined to long-term poverty.

Income Group	Black African	Coloured	Asian	White	Total
No income	42.6%	44.5%	1.3%	11.6%	100%
R1- R1 600	39.7%	52.3%	0.9%	7.1%	100%
R1 601- R6 400	13.0%	54.7%	2.0%	30.3%	100%
R6 401- R25 600	5.4%	23.7%	2.6%	68.3%	100%
R25 601- R102 400	4.5%	12.9%	2.4%	80.1%	100%
R102 401 or more	10.0%	17.7%	1.8%	70.5%	100%

Table 5: Individual monthly income of the labour force by ethnic group

8 Poverty and Women

South Africa's progressive constitution and legislature certainly provide the legal framework for equality and non-discrimination, but the challenge remains to implement these measures to their fullest potential in order to improve the standard of living of the historically disadvantaged, especially women and the poor.

In most countries, the prevalence and experience of poverty differs between women and men. Women tend to be over-represented among the poor and the experience is often more discriminating. Historically, women have less access to formal employment and even if they are employed they are concentrated in lower-paying jobs. Cape Town City Council is amongst other companies whose staff figures showing the majority of women in clerical jobs and even on top management positions the women are represented by only one woman with men still dominating.

The total number of staff for the City of Cape Town is 21,952 as at June 2008 of which males are 16,048 and females 5,904. Of that total number for females 2,573 are clerks (City of Cape Town 2008a).

9 Poverty and Children

In many cases children are the group most vulnerable to poverty, given their reliance to adults for the provision of basic needs. A child which experiences poverty is exposed to the risk of impaired physical and mental development and as a consequence can be disadvantaged for life (University of Cape Town, 1995).

A social grant is one of the effective means of alleviating poverty among children. In the absence of employment opportunities, child grants are often the only way to address the lack of income for children living in poverty. Child-headed households experience the worst poverty because their only possible income is social grants. It is perceived that most children who are living in poor households have difficulties at schools. The social grant also helps children overcome financial barriers that prevented them from going to school because they can afford to pay for the transport to school.

The primary cause of poverty was the structural inequalities caused by apartheid. It is unfortunately that children born in a time of democracy they are also born into inequality because they still lived in a society where equal rights do not translate into equal opportunities.

10 Poverty and Education

Low education levels are linked to unemployment which increases a risk of living in poverty. Families with low education levels often can not afford to better educate their children and to give them a better chance of a job.

Households with poorly educated household heads have a far higher incidence of poverty than those with better educated household heads. The importance of education is one of the anti-poverty strategies and there is the link between poverty and the lack of education. Income generating

opportunities for poor people have to be created and those people provided with the capacity to use the opportunities. The size of the poverty problem is thus small relative to the size of the economy, but the number of individuals involved is enormous (Human Science Research Council, 1995).

The government is focussing on two programmes to help the children living in poverty to cope at school: the one is schools where no fees are paid and the other is the National Schools Nutrition Programme, which feeds 1,6 million school children daily.

11 Poverty and Health

Poverty can negatively affect a person's health and wellbeing. People living in poverty commonly suffer greater levels of physical and mental illness. The high stress associated with living in poverty can also contribute to behaviour which leads to health risks such as smoking, substance abuse and poor diet. Although there is free health care services for the poor but people still find it not adequate in providing services.

A healthy city made up of healthy individuals and communities is an essential ingredient to maximise social development and economic opportunities. In Cape Town, however, the HIV/AIDS epidemic continues to be one of the major challenges facing the city. In fact, since 2001, HIV/AIDS had overtaken violent deaths as the leading cause of premature deaths. Like many trends in the city, it is the poorer areas which are worse affected. Khayelitsha is, for instance, with its HIV prevalence of 33% in 2006, one of the worst affected areas not only in city or province, but also in the country (Department of Health, 2007).

12 Conclusion

Despite great support systems and great successes in reducing poverty, it remains one of today's most enveloping global issues.

The Constitution of South Africa guarantees the delivery of socio-economic rights. These include access to adequate housing, as well as the right of access to health care, sufficient food and water, and social security. This places a constitutional obligation on government to take action to ensure access to such social goods. The realisation of these socio-economic rights, as well as their enforcement, remains limited due to lack of capacity and the remaining inaccessibility of these rights. Government is obligated to take all reasonable measures, but within its available resources to achieve the progressive realisation of these rights. Access to socio-economic rights, including the access to basic services, is limited by government's allocation of its available resources. It is government's prerogative, through its budgetary process, to determine the priority of social

expenditure and poverty alleviation. The limited resources and fiscal constraints as outlined in South Africa's macro-economic strategy (GEAR) provide the rationale for cuts in social spending which justifies the limitation of access to socio-economic rights, including social insurance such as unemployment and maternity benefits and social assistance such as poverty relief funds.

Government has both a constitutional obligation and a political and moral commitment in ensuring that all South Africans have the means to meet their basic services. Perhaps the most serious challenge facing our democracy is the deepening crisis of poverty, unemployment and inequality. Statistics suggest that even years after our transition to democracy, efforts to improve conditions for our people have not managed to reverse this trend, even if they have significantly improved certain aspects of their lives.

The City of Cape Town Municipality has put up a strategy on reducing poverty among its communities by inviting everyone who qualifies for indigent benefits and the rates rebate to be registered and re-register annually and prove that the circumstances which enables them to benefit from the policy, still apply. The City wants to register everyone who qualifies for indigent assistance and the rates rebate, so that the relief measures they have put in place can restore their dignity and take away the corrosive fear of impending poverty on communities.

The growth in unemployment and poverty means both the existing social security system has to support more people and that other form of social support for the poor are coming under great stress. In particular, lower paid workers and the working poor to have to stretch their incomes since they are always breadwinners of their households.

It is clear that any significant improvement of living conditions, especially the social problems associated with poverty (alcoholism, literacy, low health status, etc), can be brought about only by combining the schemes of physical improvement on the part of the residents, government, national and provincial welfare organisations and private sector.

Cape Town, like the rest of South Africa's political history, has resulted in racially separate and inequitable provision of health services. Those who least require the service, have access to more varied and a greater proportion of health and health related services than those who require them most. Not only has this resulted in gross inequity of health service provision, but it has also resulted in incomplete and clumsy provision of these services.

Newly established freedom of movement in the 1990's, enabled large numbers of rurally based South Africans to migrate to the city, from even greater conditions of poverty and deprivation. At the same time, the legacy of poverty, and poor education and training for black communities of South

Africa, makes it difficult for large parts of these communities to find employment or to afford housing, services or transport to and from low paying jobs.

There is a need to reduce the level of poverty and increase productive employment by addressing the mismatch between the educational levels of residents and the skills needed for locally available jobs so that the majority of people can provide for them or become employable.

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