

Poverty and Inequality at a Glance

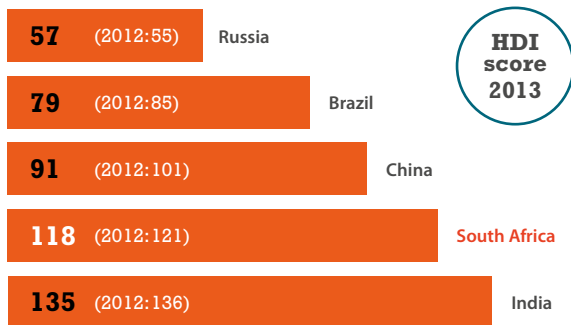
The poor were negatively affected by the 2008 global financial recession, as can be seen in the increase in the percentage of people living in extreme poverty from 26.6 per cent in 2006 to 32.4 per cent 2009. As the economy recovered, and with an expanding social safety net, the numbers living in extreme poverty dropped to 20.2 per cent in 2011. Poverty levels have also dropped since 2006; there were 23 million poor people in 2011 compared to 27.1 million in 2006.

Children remain vulnerable to the effects of poverty. In 2012, 32.4 per cent of children lived in households without an employed adult and 56 per cent lived below the poverty line of R653 per month. The child grant has played a major role in reducing child income poverty, as well as reducing the number of children living in households where there is reported hunger.

However, income inequality (as measured by the Gini coefficient) has continued to grow, and the distribution of income is still largely unequal along racial lines. Notably, income inequality among the poor grew between 1993 and 2010. With improved provision of basic services, significant progress was made in the multidimensional poverty index. It is important to note the drop in multidimensional poverty in comparison with money-metric poverty.

South Africa's human development indicators in perspective

2013

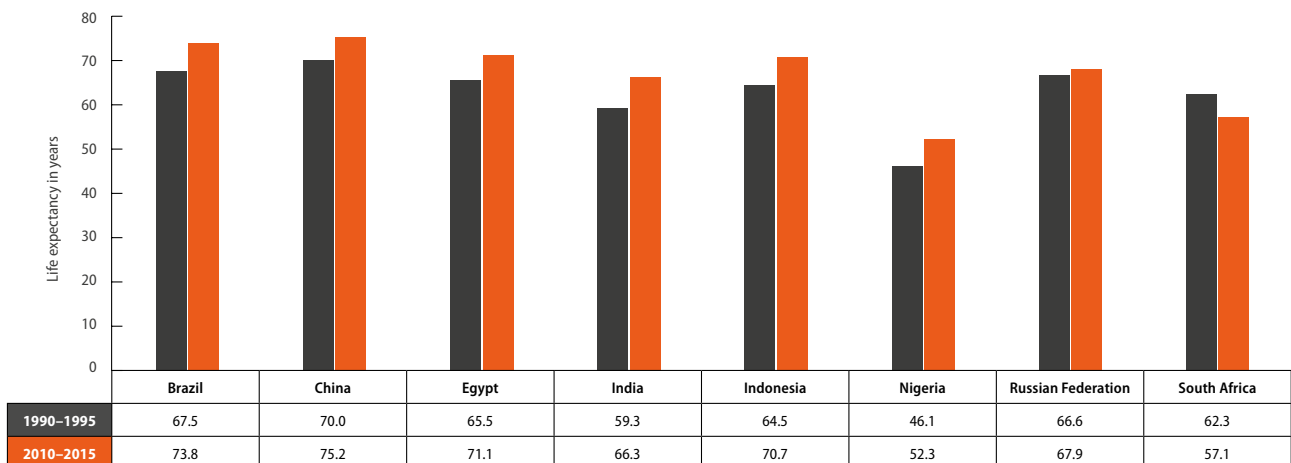


Source: UNDP, Human Development Report 2013
Data in the tables are those available to the Human Development Report Office as of 15 November 2013, unless otherwise specified

Poverty trends, 2006–2011			
	2006	2009	2011
Percentage of population that is poor (below upper-bound poverty line)	57.2%	56.8%	45.5%
Number of poor persons (million)	27.1	27.8	23.0
Poverty gap for the upper-bound poverty line	26.7%	27.9%	19.6%
Percentage of population living in extreme poverty (below food poverty line)	26.6%	32.4%	20.2%
Number of extremely poor persons (million)	12.6	15.8	10.2
Poverty gap for the food poverty line	8.5%	11.6%	6.2%

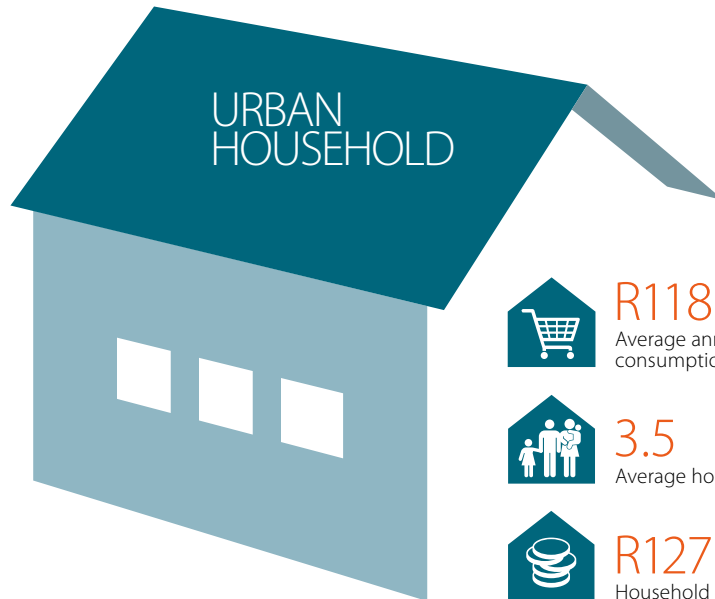
Source: Stats SA, Poverty Trends 2014
Data notes: The poverty lines used were applied to survey data collected through the Income and Expenditure Survey (IES) 2005/2006, Living Conditions Survey (LCS) 2008/2009 and the IES 2010/2011. The poverty lines were benchmarked to March prices as these represent the mid-point of each survey. Upper-bound Poverty Line: inflation-adjusted per capita per month in Rands: March 2006, R431; March 2009, R577; March 2011, R620

Life expectancy at birth: Emerging economies



Source: UNDESA, World Mortality Report 2013

Average annual household expenditure and household assets in 2011



R118 546
Average annual household consumption expenditure



3.5
Average household size



R127 576
Household income



67%
Ownership of dwelling



89%
Piped water inside/on site



91%
Electricity



87%
Flush toilet



R47 129
Average annual household consumption expenditure



4.3
Average household size



R47 847
Household income



86%
Ownership of dwelling



39%
Piped water inside/on site

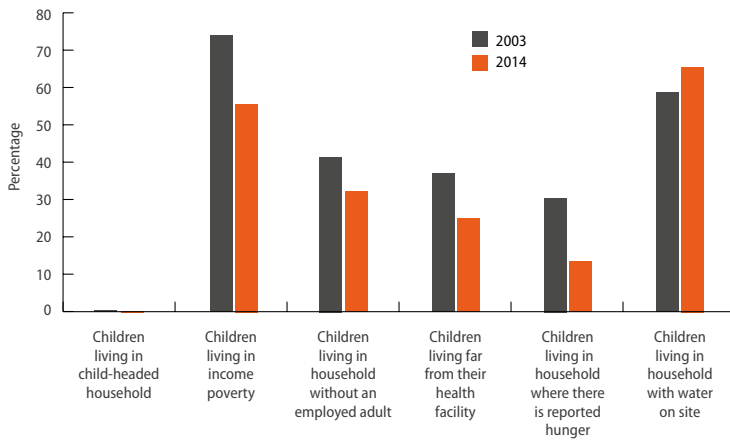


79%
Electricity



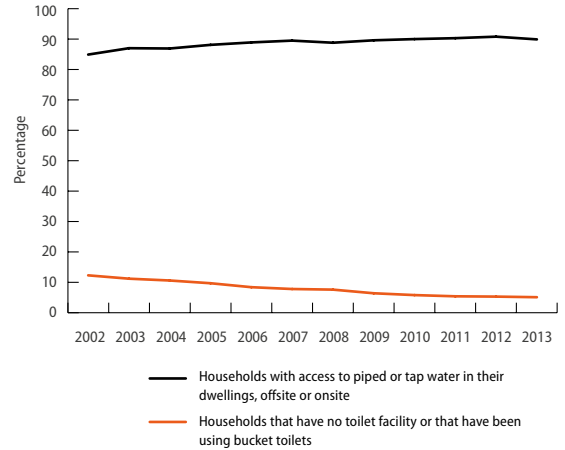
11%
Flush toilet

Vulnerable children, 2003–2014



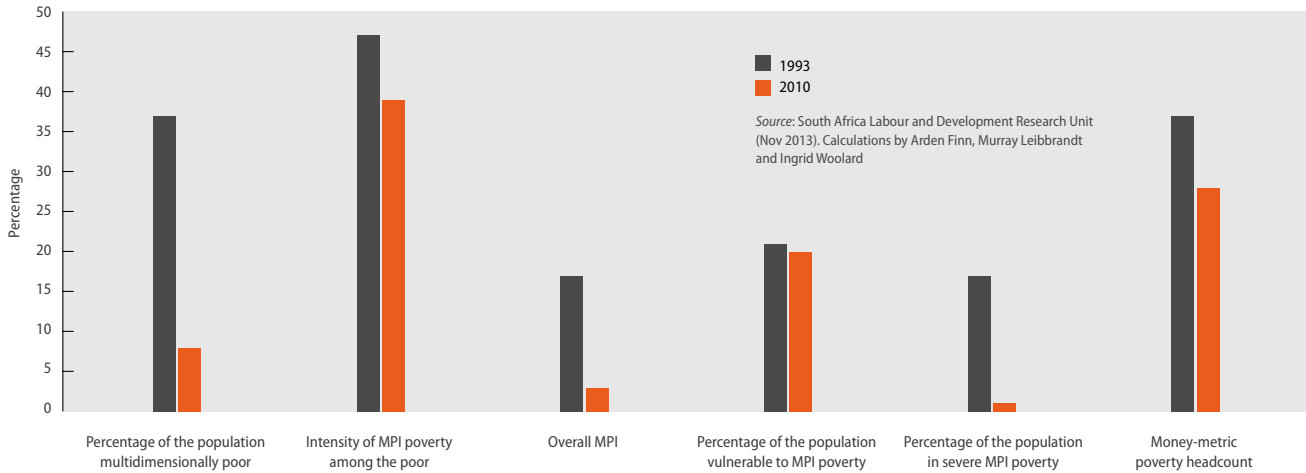
Source: Children's Institute, Child Gauge Report 2014

Access to water and sanitation, 2002–2013



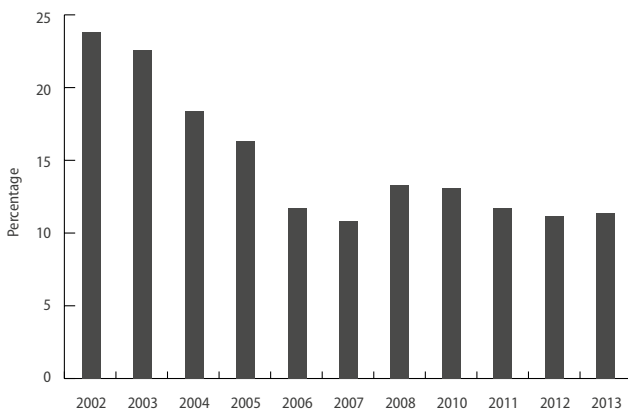
Source: Stats SA, General Household Survey 2013

Multidimensional poverty measures for South Africa, 1993–2010



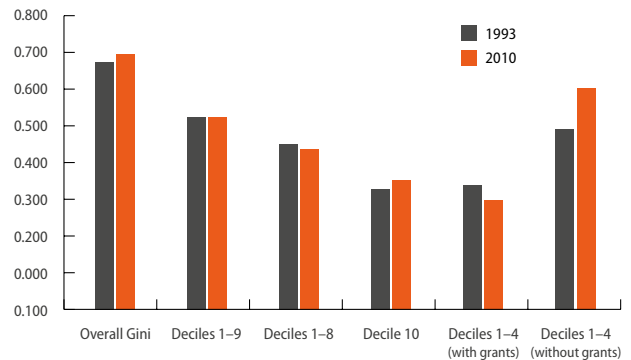
Source: South Africa Labour and Development Research Unit (Nov 2013). Calculations by Arden Finn, Murray Leibbrandt and Ingrid Woolard

Percentage of households vulnerable to hunger, 2002–2013



Source: Stats SA, General Household Survey 2013
Data note: 2009 figure not provided

Gini coefficients, 1993–2010



Source: UNDP, 2014, The Impacts of Social and Economic Inequality on Economic Development in South Africa
Data notes: "The analysis of the Gini coefficient for different combinations of deciles illustrates a few important points about the dynamics of inequality. So while overall inequality increased between 1993 and 2010, the biggest increases appear to be in deciles 9 and 10. Inequality actually dropped within deciles 1–8. Most significant are the dynamics within deciles 1–4: among the poor. At this level, the economy, left to its own devices, yielded an increase in inequality within these deciles from 0.491 to 0.604 – a staggeringly high level of inequality within just four deciles. Yet with social grants, inequality within these deciles is reduced to a relatively equitable 0.297." (Phillip, K, Tsedu, M, Zwane, M 2014 : 56–57)