

Poverty & Equity Brief

Sub-Saharan Africa

South Africa

April 2020

Although South Africa has made progress in reducing poverty since 1994, the trajectory of poverty reduction was reversed between 2011 and 2015, threatening to erode some of the gains made since 1994. Approximately 55.5 percent (30.3 million people) of the population is living in poverty at the national upper poverty line (~ZAR 992) while a total of 13.8 million people (25 percent) are experiencing food poverty. Similarly, poverty measured at the international poverty lines of \$1.90 and \$3.20 per person per day (2011 PPP) is estimated at 18.9 percent and 37.6 percent in 2014/15, up from 16.6 percent and 35.9 percent in 2010/11, respectively.

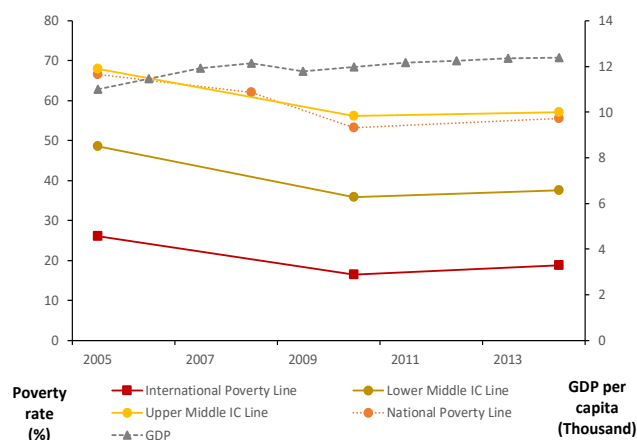
South Africa is one of the most unequal countries in the world with Gini index at 63 in 2014/15. Inequality is high, persistent, and has increased since 1994. High levels of income polarization are manifested in very high levels of chronic poverty, a few high-income earners and a relatively small middle class.

The number of positive tests for coronavirus is rising in South Africa. The Minister of Health warned that between 60 and 70 percent of South Africans are expected to become infected, with between 10 and 20 percent of those developing into severe cases, likely requiring hospitalization. In addition to the looming health consequences, the epidemic is likely to have devastating economic consequences on the country and on these already impoverished communities. It is estimated that extreme poverty will increase in South Africa by 9% in 2020. Evidence from previous crises, of even far smaller scales suggest that these negative effects could last across generations and further exacerbate already South Africa's high inequality.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	30.3	55.5	2014
International Poverty Line 12 in South African rand (2014) or US\$1.90 (2011 PPP) per day per capita	10.3	18.9	2014
Lower Middle Income Class Poverty Line 20.2 in South African rand (2014) or US\$3.20 (2011 PPP) per day per capita	20.5	37.6	2014
Upper Middle Income Class Poverty Line 34.6 in South African rand (2014) or US\$5.50 (2011 PPP) per day per capita	31.1	57.1	2014
Multidimensional Poverty Measure		19.3	2014
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-1.34	2010-2014
INEQUALITY			
Gini Index		63.0	2014
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.11	2010-2014
GROWTH			
Annualized GDP per capita growth		0.86	2010-2014
Annualized Consumption Growth per capita from Household Survey		-1.23	2010-2014
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-0.92	2010-2014

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2020, and Global Monitoring Database for the rest.

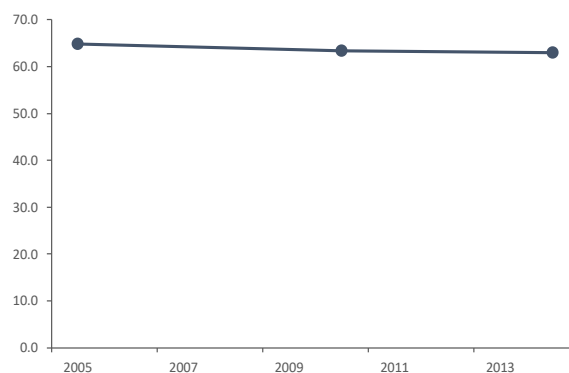
POVERTY HEADCOUNT RATE, 2005-2014



Source: World Bank using LCS/SSAPOV/GMD

INEQUALITY TRENDS, 2005-2014

Gini Index



Source: World Bank using LCS/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2014	Lower Middle Income line(%)		Relative group (%)		Multidimensional Poverty Measures (% of people):	2014
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population				N/A	Monetary poverty (Consumption)	
Rural population	37	63	65	35	Daily consumption less than US\$1.90 per person	18.9
Males	64	36	38	62	Education	
Females	61	39	42	58	At least one school-aged child is not enrolled in school	1.5
0 to 14 years old	51	49	51	49	No adult has completed primary education	2.3
15 to 64 years old	67	33	35	65	Access to basic infrastructure	
65 and older	71	29	30	70	No access to limited-standard drinking water	8.2
Without education (16+)	40	60	62	38	No access to limited-standard sanitation	4.7
Primary education (16+)	48	52	55	45	No access to electricity	4.1
Secondary education (16+)	67	33	36	64		
Tertiary/post-secondary education (16+)	95	5	6	94		

Source: World Bank using LCS/SSAPOV/GMD

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Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

Statistics South Africa recently released the General Household Survey report for 2017 and Living condition survey for 2014/15. The surveys collect information on households' expenditure patterns and a range of socioeconomic variables. Each of the surveys have a sample size of some 25,000 households that gather data of relevance to monetary and non-monetary dimensions of poverty. These surveys have been used for assessment of poverty and socio-economic situation of the population in South Africa.

Comparable surveys were conducted in 2000, 2004/05, 2008/09, 2010/11, and 2014/15 (LCS and IES data). The surveys are representative at the national and province levels. The new survey is expected to start in September 2020 through May 2021.

Since the 1996–97 Poverty and Inequality Report, there have been frequent updates on macro-poverty trends in terms of money-metric poverty as well as in terms of access to services and other non-income indicators of poverty. In 2012 Stats SA published a suite of three national poverty lines to be used for poverty measurement in the country. The food poverty line is the level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet. Individuals can purchase both adequate food and non-food items at the upper bound poverty line.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.