

The economic well-being of the family: Households' access to resources in South Africa, 1995–2003

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Introduction

When the ANC-led government came into power in 1994 it inherited a socio-economic environment characterised by widespread poverty, poor access to basic services and massive inequality in the distribution of resources across households. The urgent need for the new government to address this legacy of apartheid led to the implementation of various programmes and policies in the ensuing years aimed at improving the well-being of the previously disadvantaged. In this chapter, we attempt to evaluate how the economic well-being of households has changed in post-apartheid South Africa after just over a decade under the new dispensation.

There are many factors contributing to, and ways of measuring, the economic well-being of a household. In this chapter we have chosen to focus on an examination of trends in household income, expenditure, and access to housing and basic services. These trends are also analysed by race group and area type to give some indication of how different types of households have fared over the period under review.

In this study, we draw on data from the national census and household surveys conducted by Statistics South Africa (Stats SA) between 1995 and 2003.¹ While these surveys have collected a large amount of useful information on individuals and the households in which they live, it is important to note here that the analysis is often constrained by a lack of comprehensive and consistent data on key aspects of the economic well-being of households. In addition to the more general problems associated with collecting data on all types of income and expenditure for example, in South Africa, there is also the problem that the household survey and census instruments have changed from year to year. There have been changes to sampling methodology and questionnaire design, complicating the comparison of measures over time. In trying to examine how households' access to resources has changed in post-apartheid South Africa, a key feature of this chapter will therefore be the evaluation of the data available for the analysis.

¹ October Household Survey 1995, 1997; South Africa Census 1996; Labour Force Survey (2) – 2000, 2001, 2002, 2003; General Household Survey 2002.

Data

The data used in this chapter are taken predominantly from three of the national household surveys conducted by Stats SA: the October Household Survey (OHS), the Labour Force Survey (LFS), and the General Household Survey (GHS). The 1996 Population Census data are also used in some cases where the questions asked were comparable to those in the surveys.²

The annual OHS, introduced in 1993, and the bi-annual LFS (February/March and September), which replaced it in 2000, consist of a sample of generally 30 000 households. One of the principal aims of both of these surveys was to provide a more reliable and detailed picture of employment and unemployment in the country. Entire modules in the questionnaires are devoted to labour market questions, allowing for more textured definitions of employment status and more in-depth analyses of labour market activity than is possible with the census data (Casale et al. 2004). For an analysis of *income* from employment, the household surveys therefore provide the most reliable data. Compared to the census, the OHSs and some of the LFSs also include far more comprehensive questioning on other socio-economic characteristics of individuals and the households in which they live.

As indicated above, there were differences in the way in which the surveys were conducted over the years. Since the data provided by the 1995, 1997 and 1999 OHSs appear to be most compatible in terms of sampling methodology and scope, only these three years of data from the OHS are used in this chapter.

Of the LFSs, we mainly use the September rounds: the LFS 2 (September 2000), the LFS 4 (September 2001) and the LFS 6 (September 2002). While all the LFSs contain a core set of questions on the personal and labour market information of the individuals on the household roster, only the September rounds of the LFS contain an additional household module, which provides important socio-economic information at the household level specifically (such as receipt of welfare grants, household expenditure, and access to services). However, we also make some use of the LFS 3 (February 2001), because it included questions on access to water,³ and the LFS 7 (March 2003), as it was the most recent survey available at the time of writing, and can still be used to obtain information on income from employment.

The GHS was conducted for the first time in July 2002, and is also based on a sample of around 30 000 households. It contains, as with the LFS, a core set of questions asked of individuals on the household roster (including a module relating to labour market status, almost identical to that found in the LFS). The GHS was designed to include a set of additional questions relating to various social indicators that is far more extensive than that of the September rounds of the LFS. According

² The results from the Census 2001 could not be included in this study as the individual and household level data files were not available at the time of writing.

³ The LFS 3, unlike the other February/Match rounds of the survey, included a limited number of questions directed towards the household specifically (mainly on access to services, and with a particular focus on water).

to Stats SA (2003: i), '[t]he main purpose of the GHS is to measure the level of development and performance of various government programmes and projects', and in this regard, '[t]he survey collected information on a variety of subjects including education, health, labour market, births, access to services and facilities, and quality of life'. Unfortunately, the GHS did not include any new, or at least more detailed, questions on household income and expenditure, two aspects of economic well-being on which the data collected are far from comprehensive in the household surveys. Nonetheless, it provides information on these measures similar to that in the September rounds of the LFS and so can at least be used in a comparison over time.

Before the descriptive statistics are presented, it is important to comment briefly here on the weights used to convert sample estimates to population estimates. The OHSs and the LFSs up to and including September 2002 have been published by Stats SA with both individual and household weights based on the 1996 census. The LFS 7 (March 2003) is the first to be released with updated weights based on the 2001 Census. However, because this survey did not include a household module, only individual weights are available in the data set. Stats SA has indicated that they are currently in the process of updating the weights for the earlier rounds of the LFS to the 2001 population census figures, but until these are available, one needs to be cautious when comparing the LFSs to the OHSs. The GHS 2002 has been published with *both* individual and household weights based on the 2001 census. When examining changes over the period in the analysis that follows, where possible the 1995 OHS and 2002 GHS are used as the endpoints, as these two surveys are weighted according to the closest census year.

Household income

Main sources of household income

Access to monetary resources is clearly essential to household welfare and to participation in a modern economy. In South Africa, the majority of households rely on income from employment, whether directly through salaries and wages of resident household members, or more indirectly through remittances from migrant workers or absent household members. This is evident in Table 4.1, which shows the main source of income for households in South Africa in 2002.

Table 4.1: Households' main source of income (percentage of households), 2002

	All	African	Coloured	Indian	White	Urban	Rural
Salaries and/or wages	59.4	54.7	76.3	81.2	73.5	69.6	44.3
Remittances	13.5	16.7	2.5	4.3	2.9	8.2	21.4
Pensions and grants	18.2	19.5	16.3	8.6	13.1	13.5	25.1
Sale of farm products	1.0	0.8	0.2	0.2	2.7	0.5	1.7
Other non-farm income	5.2	5.2	2.6	3.7	7.3	5.6	4.7
No income	2.7	3.1	2.3	2.0	0.5	2.6	2.9
	100	100	100	100	100	100	100

Source: Own calculations from GHS 2002

Although most households rely on earned income from employment as their main source of income, there are variations by race and by area type. Approximately three-quarters of white and coloured households and over 80 per cent of Indian households rely on salaries/wages as their main source of income, while only 55 per cent of African households are found in this category. A large percentage of African households instead report remittances (17 per cent) or pensions and grants (18 per cent) as their main source of income. Pensions and grants are also important sources of income for the other race groups, after income from employment. For the majority of households, this category would represent the social pension and other state welfare grants. For white households, however, it is more likely capturing reliance on private pension receipts (Case & Deaton 1998).

Very stark differences emerge between urban and rural areas. The majority of households in urban areas, close to 70 per cent, rely on employment earnings as their main source of income. In rural areas, a larger proportion of households rely on pensions, grants and remittances than on employment earnings; 47 per cent as opposed to 44 per cent. Interestingly, and despite the large numbers of individuals who report being engaged in small-scale farming in these surveys, income from the sale of farm products is not often stated as a main source of income for households, even in rural areas. While the sale of farm produce as a *main* source of income may not be common, probably because the cash returns to this activity are too low and variable, growing farm produce as an *extra* form of income is more common in households in which a member is engaged in small-scale farming (based on own calculations from the LFSs).

Whether the relative importance of these main income sources has changed over the period is not known from the data available (the question on which Table 4.1 is based was only asked in later survey years). One would expect that the rise in unemployment and the fall in average earnings since 1995 (Casale et al. 2004) would have led to the decreasing importance of salaries/wages and remittances as main sources of income. The equalisation of pension payments across all race groups by 1993 and the increase in the take-up rate of the child support grant (which replaced the state maintenance grant in 1999/2000), would suggest that non-earned income, and more specifically social grants, would have increased in importance over the post-1994 period.

To calculate the changing share of various income sources in total household income, or to calculate changing poverty rates among households, would require monetary values of the income received from all sources and by all individuals in the household over time. The survey data that we use in this chapter do not contain such comprehensive information. While estimates of income earned directly from employment are available in most of the household surveys conducted by Stats SA, the data on other sources of income – for example, rent, interest, dividends, pensions, remittances and state transfers – are far sketchier.⁴ This is unfortunate as one of the

⁴ For instance, in some years, questions are asked at the individual level; in others, at the household level. In certain survey years, only data on whether or not welfare grants are received is collected (mostly without requesting monetary values), while in others, information on additional income sources, such as private pensions and remittances, is collected.

most important aspects of the government's drive to redistribute resources and reduce poverty in post-apartheid South Africa has been through the increased provision of state transfers (DoSD 2003). Nonetheless, what information can be gleaned from the various surveys is presented in the sections below on 'earned' income (income from employment) and 'non-earned' income (income from other sources).

Earned income

As shown in Table 4.1, the most important source of income for the majority of households in South Africa is the earnings received or generated by resident members of the household through employment (whether working for someone else or in self-employment). The most reliable source of earnings data in South Africa is the OHS/LFS/GHS series, as the collection of employment information is the most efficient in these surveys. Also, over the years much emphasis has been placed on capturing *all* forms of employment, including small-scale and informal activities, which means that *earnings* from all types of work should be captured by the surveys.⁵

Table 4.2 presents estimates of household income from employment from 1995 to 2003. The distinct racial and urban biases in household income levels are apparent in all the years shown. In 1995, for example, average adult equivalent household income from employment in white households was almost five times that in African households, while in urban areas it was just over three times that in rural areas.

The data also show a clear downward trend in real average income from employment for all household types.⁶ Using the weighted OHS 1995 and GHS 2002 data as the endpoints of the analysis, it is found that average adult equivalent household income fell by almost 33 per cent in real terms for all households. When analysed by race, the data suggest that white and African households experienced the largest declines in real average household income from employment over the period (27 per cent and 25 per cent respectively), followed by Indian (16 per cent) and coloured households (14 per cent). In urban areas, household incomes fell by 36 per cent on average between 1995 and 2002, compared to the 28 per cent decline experienced among households in rural areas.

The large decreases in average household income from employment are being driven by a number of factors. First, the proportion of households receiving income from

5 While it is possible to compare the information provided by the census on households' access to services to that provided by the OHS/LFS/GHS series, one has to be more cautious when comparing estimates of earnings from employment. Even if the same questions were asked in the census as in the surveys, the definition of the household (that is, who belongs to the household), differs between the two. In the census, all those present on census night are included in the household roster. In the surveys, only those who 'normally reside at least four nights a week in this household' are included in the roster. Because earnings from employment (and non-earned income such as grants) are received by individuals, which individuals are included in the roster would make a difference to the total household income estimate.

6 An obvious outlier to the trend is 1997. Household income from employment is unusually low given the estimates in the other years, as is the proportion of households receiving income from employment (see the lower frame of Table 2). It has been reported that employment estimates in this year were low compared to the overall employment trend that emerges over the period (Muller 2003; Casale 2004). If an employed individual was not classified as such in the survey, then no earnings information would be captured either for that individual, which would account for why household income from employment appears to be underestimated in 1997.

employment decreased over the period, as an increasing proportion of households report no members who are working (see also UNDP 2003: 21). In 1995, around 74 per cent of all households were receiving some income from employment; by 2002 this had fallen to 63 per cent (see the lower frame of Table 4.2). The most obvious reason for this change is the dramatic increase in unemployment over the period. According to the broad definition of unemployment (which includes also the non-searching unemployed), the unemployment rate increased from approximately 29 per cent in 1995 to 43 per cent in 2003 (Casale et al. 2004). Although not explored in this chapter, changes in household composition would also have an effect on the proportion of households with income from employment – there is some evidence, for example, to suggest that the unemployed tend to be clustered in households with other unemployed individuals (Dinkelman & Pirouz 2002; Wittenberg 1999).

Table 4.2: Household income from employment, 1995–2003

	1995 OHS	1997 OHS	2000:2 LFS	2001:2 LFS	2002:2 LFS	2002 GHS	2003:1 LFS
Real average monthly adult equivalent household income from employment (2000 rands)							
All	1 187	864	1 011	891	894	801	772
African	679	449	609	550	539	510	501
Coloured	910	782	1 041	942	823	785	742
Indian	1 743	1 416	1 538	1 624	1 555	1 465	1 632
White	3 377	2 657	3 510	2 911	2 811	2 470	2 457
Urban	1 699	1 230	1 359	1 190	1 231	1 083	1 046
Rural	533	293	410	374	359	383	400
Percentage of households with income from employment							
All	73.9	59.6	68.6	65.0	61.8	63.4	62.3
African	71.8	55.4	66.3	63.0	59.8	61.8	59.9
Coloured	85.7	78.9	82.4	75.5	75.9	74.8	76.7
Indian	87.5	76.3	81.9	78.7	81.5	76.6	81.5
White	74.7	66.0	71.5	67.4	60.0	63.8	61.2
Urban	81.1	70.9	76.6	71.9	68.6	70.0	68.2
Rural	64.9	42.1	54.8	53.1	51.1	53.7	54.3

Source: Own calculations using the OHSs, LFSs and GHS

Notes:

1. The data for 2003:1 are presented unweighted, as Stats SA did not provide household weights in this year. In the other years (and in all the following tables) the data are weighted using household weights provided by Stats SA.
2. To convert household size to adult equivalents, children under the age of 12 years were given a weighting of 0.5.
3. Nominal monthly earnings from employment were converted into real values using the average yearly Consumer Price Index published by Stats SA, with 2000 as the base year.
4. The urban/rural classification in the 1997 OHS is different from the other years. In 1997, Stats SA classified the category 'urban' to include semi-urban areas, while in the other years the category 'rural' is defined to include semi-urban areas.

Second, although not shown here, the survey data indicate that among those households containing at least one employed individual, household income also decreased on average over the period. This is not only because the average number of employed individuals per household fell, but also because, among the employed, average real earnings declined between 1995 and 2003. The fall in real earnings was particularly large among African workers and among those employed in informal sector employment, the type of work that has been growing at the fastest rate over the same period (for further discussion of employment and earnings trends between 1995 and 2003, see Casale et al. 2004).⁷

This is reflected in the rise in the number of working poor in South Africa. Casale et al. (2004) find that the proportion of the employed falling below a poverty line of \$2 a day (R344 per month in 2000 rands) was just under 10 per cent in 1995 and by 2003 had almost doubled, reaching 19 per cent. Using a poverty line equal to the minimum wage of a domestic worker in an urban area (R584 per month in 2000 rands), the proportion of workers falling below this benchmark was 17 per cent in 1995 and 30 per cent in 2003. While these figures do not measure *household* poverty specifically, they suggest that a large and increasing proportion of the employed themselves cannot escape poverty through employment, let alone other household members they may support.

Some qualifications should be made here regarding the reliability of the data. The absolute values in each year are likely to contain considerable measurement error, particularly among very high earners and very low earners. Among very high earners, there may be reluctance to disclose high income values to the interviewer, and often high income earners choose rather to report an earnings bracket (in the households surveys the highest bracket is censored at R30 000 per month). Among very low earners, for instance, in-kind payments are likely to be important (especially among domestic and unskilled agricultural workers), and the household surveys do not collect information on these forms of remuneration. Given that the proportion of the employed reporting in brackets has remained relatively constant across the years, and assuming that the proportion of earnings received in in-kind payments has not changed significantly over the period, the data can still be used for comparisons over time.

However, as far as consistency over time is concerned, there is the problem that the employment information in the OHSs and the LFSs/GHS was not captured in exactly the same manner. In particular, with the crossover to the LFS in 2000, more emphasis was placed in the questionnaire on counting all forms of irregular work, including subsistence farming, as employment, even if the individual had engaged in the activity for only an hour in the previous week. It is likely therefore that some individuals engaged in informal and own-account activities would have

⁷ According to the survey data, household size has also been declining on average over the period – average adult equivalent household size fell from 3.80 in 1995 to 3.37 in 2002. This was for all household types except white households, among which no significant change was detected. Average adult equivalent household income from employment still fell significantly across all race groups, however, because the percentage fall in income was greater than the percentage fall in household size.

been classified as inactive or unemployed in the OHSs and thus not required to provide earnings information in the survey. This implies that household income from employment would be underestimated in the earlier OHS surveys (as would the decline in this measure over the years). Because this type of work is associated with very low returns and often subsistence farmers report zero cash earnings (see Casale 2004; Casale et al. 2004), the bias is unlikely to be very large.

Despite the various problems associated with measuring earned income, the data clearly suggest that households' access to income from employment declined on average over the period, among all race groups and in both urban and rural areas. Evidently, relying on growth in employment and earnings in South Africa as a strategy to reduce poverty among previously disadvantaged groups has not been sufficient in the economic environment of the post-apartheid decade.

Non-earned income

As explained above, reliable information on the monetary value of income received from sources other than employment, and by all individuals in the household, is not available in these household surveys. There is particularly limited information on private forms of non-labour income, or the income generated by wealth (such as rent, interest and dividends). These forms of income are generally more important among those in the higher-income brackets, and in South Africa, particularly among white people (UNDP 2003).⁸ There is some information in the surveys on whether members of the household receive a private pension (shown in Table 4.3). The data indicate that, as expected, a considerable proportion of white households, unlike the other race groups, have members that draw from private pensions (almost 17 per cent in 2000).

Most of the surveys collect information on whether members of the household had received a welfare grant in the past year. Presented in Table 4.4 is the percentage of households with at least one member receiving a social pension, disability grant or child support grant.⁹ The most important grant for households is the social pension, both in terms of the size of the grant (which, depending on the year, is between about four and five times the size of the child support grant) and take-up rates (DoSD 2003). Between 1995 and 2002, the proportion of households in which at least one social pension was received increased among all race groups and in both urban

⁸ While household access to wealth is not analysed any further here, due to the lack of data, it is important to point out that ownership of wealth is a key determinant of household welfare. It is estimated that the income from property and financial assets (including profits from non-corporate business enterprises) accounts for around 37 per cent of households' disposable income, mostly accruing to white households (from the 2002 national accounts, in UNDP 2003: 72–73). Not only does it generate its own income, but the ownership of wealth also acts as surety in the acquisition of loans (allowing the wealthy to amass further assets) and provides economic security to its owners. Ownership of wealth makes households better equipped to deal with temporary economic shocks, while the lack of wealth leaves households more vulnerable to being trapped in long-term poverty. The ANC government has made some attempts to change the distribution of wealth in favour of previously disadvantaged groups, through their policies relating to, for example, land reform, black economic empowerment, and small-, micro- and medium-sized enterprise development. Because Stats SA's household surveys do not collect information on financial and property asset values, it is not possible to measure how the distribution of wealth has changed across household types in post-apartheid South Africa. While more research is clearly needed in this area, the nature of these policies suggests gradual change, such that the ownership of wealth in South Africa would still lie predominantly in the control of the white segment of the population (UNDP 2003: 74).

⁹ In most of the survey years, the question asks if a member of the household received a particular type of grant – it is not known how many members in the household received that type of grant.

and rural areas. The social pension is a more important source of income among African, coloured, Indian, and rural households, however, with many white people excluded by the means test (Case & Deaton 1998).

Table 4.3: Percentage of households with a member receiving a private pension

	1997 OHS	1999 OHS	2000:2 LFS
All	4.8	3.1	4.4
African	1.8	1.6	2.4
Coloured	4.2	2.6	4.8
Indian	4.4	4.8	7.1
White	18.4	10.8	16.9
Urban	6.6	4.1	5.7
Rural	1.9	1.6	2.2

Source: Own calculations using the OHS and LFS

Table 4.4: Percentage of households with a member receiving a welfare grant

	1995 OHS	1997 OHS	1999 OHS	2000:2 LFS	2001:2 LFS	2002:2 LFS	2002 GHS
<i>State pension</i>							
All	9.4	23.3	16.5	16.9	19.0	19.9	18.3
African	10.7	26.3	18.3	18.0	19.6	20.5	19.1
Coloured	9.9	20.8	15.2	16.4	18.2	19.3	17.1
Indian	8.5	18.8	10.2	19.8	16.4	13.0	20.0
White	3.9	11.6	9.3	9.5	16.5	17.8	13.7
Urban	7.1	17.7	11.9	12.7	14.8	15.3	14.3
Rural	12.4	31.9	23.4	24.1	26.3	27.0	24.3
<i>Disability grant</i>							
All	3.9	4.1	3.1	2.9	4.0	4.7	4.3
African	3.8	3.5	2.9	2.8	3.6	4.7	4.1
Coloured	8.4	11.7	7.5	5.9	9.3	9.1	9.7
Indian	6.0	8.2	4.5	4.5	6.4	5.8	6.1
White	1.5	2.4	1.3	1.1	2.3	2.1	1.9
Urban	4.0	4.5	3.1	2.8	3.8	4.5	4.2
Rural	3.6	3.6	3.0	3.1	4.4	5.2	4.6
<i>State maintenance grant/child support grant</i>							
All	–	1.3	0.8	2.7	4.7	8.0	7.9
African	–	1.0	0.7	2.8	5.6	10.0	9.4
Coloured	–	4.9	2.4	4.0	4.1	4.7	7.1
Indian	–	3.3	1.4	2.4	1.2	1.7	1.5
White	–	0.6	0.3	0.6	0.4	0.2	0.3
Urban	–	1.7	0.8	2.5	3.7	5.6	5.9
Rural	–	0.7	0.7	3.0	6.6	11.8	10.8

Source: Own calculations using the OHSs, LFSs and GHS

Disability and child support grants are also more important sources of income among African, coloured and Indian households than among white households, and

in the later years, among rural households compared to urban households. While the proportion of households with at least one member receiving a disability grant remained relatively stable over the period under review here, the proportion of households receiving at least one child support grant rose substantially after 1999, and especially for African and rural households. This followed the replacement of the state maintenance grant with the child support grant, which, although means-tested, was made available to more children under seven years of age in all race groups.¹⁰

Information on remittances, an important source of income for rural African households in particular, is collected less frequently than information on income from employment or social grants (see Posel 2003). While labour migration from African rural households seems to have increased in post-apartheid South Africa, and female labour migration in particular (Posel & Casale 2003), the proportion of households receiving remittance income has declined according to the household surveys (see Table 4.5). This may be both because fewer migrants are finding work and because average wages are declining.

Table 4.5: Percentage of households receiving remittances and average remittance value

	1997 OHS	1999 OHS	2002:2 LFS	1997 OHS	2002:2 LFS
	Percentage of households receiving remittances from migrant workers			Average annual adult equivalent remittance income per household with at least one migrant worker remitting (2000 rands)	
All	14.6	14.1	12.2	1 344.47 (21.8)	1 335.73 (128.9)
African	19.5	18.4	15.6	1 329.39 (21.6)	1 124.27 (34.0)
Rural	30.2	28.7	25.4	1 312.49 (22.56)	1 063.71 (31.0)

Source: Own calculations using the OHS and LFS

Note: Standard errors in parentheses

Average adult equivalent remittance income (in households with at least one migrant worker remitting) fell between 1997 and 2002 in real terms, among African and rural households. Although the number of adult equivalent household members fell in these households, the annual remittance income received by these households fell by a greater percentage. This occurred even though the average number of migrant workers per household in African and rural households increased over the period.

An important question is whether the increased provision of the various social welfare grants over the period has made up for the decline in household income

10 The data on foster care and care dependency grants are not shown here as less than one per cent of households received either of these grants over the period, regardless of race or area type.

from employment and remittances, particularly among African households. The Department of Social Development (2003) reports that by the beginning of 2003, 5.6 million beneficiaries were receiving social grants at a cost of R2.2 billion monthly. This would be expected to go some way towards alleviating poverty among households in South Africa (see Case & Deaton 1998, who show that the social pension was very effective in lifting households out of poverty in 1993).

Based on a number of simulations that attempt to estimate the impact of government grants on measures of poverty, the UNDP (2003) reports that the impact of the government's social security system is *not* sufficient in lifting a significant proportion of individuals out of poverty. The results of the simulations, based on 2002 data, indicate that, as expected, both the proportion of the population falling below a national poverty line of R569 a month per adult equivalent and the poverty gap were reduced following the distribution of grants to all age-eligible individuals. However, the effects are found to be limited, as a large part of the population, those of working age, is not captured by the social security net.¹¹ The report concludes that:

The current social assistance system of grants in South Africa, although essential to addressing poverty, has limited impact on reducing head-count poverty or the poverty gap. The system is not designed to lift all or even the majority of the poor out of poverty. (UNDP 2003: 89)

Household expenditure

One way to avoid the problem of incomplete income information in the household surveys is to analyse changes in household expenditure over time. Expenditure data are collected in some of the surveys in a relatively consistent manner over the period. Households are asked in a single question to indicate what expenditure bracket their *total* monthly spending falls into.¹² Because the question did not include a very detailed prompt to individuals on which types of expenditure to incorporate in their total estimate, there is likely to be some underreporting. However, at least the *same* question is asked across the surveys, which suggests that any downward bias would exist in all the years. The main problem with the data is that household expenditure is reported in categories that have not been adjusted for inflation by Stats SA over the years. One would therefore expect an increasing number of individuals to shift into higher nominal expenditure categories over the years, as purchasing power decreases.

Table 4.6 shows, however, that even given nominal expenditure categories, the proportion of households falling into the lowest expenditure category of R0–R399

11 There is some information in the household surveys on whether a household member draws from the Unemployment Insurance Fund (UIF). In 1997, 0.6 per cent of households contained a member receiving UIF benefits; by 2000 this had increased to 2.7 per cent (own calculations from OHS 1997 and LFS 2000:2). That few households benefit from the UIF is not surprising seeing as only those unemployed who have worked in formal employment before and who have contributed to the fund, are eligible to draw from it. This means that most of the unemployed have no direct access to social security in South Africa and are supported mainly by other members of the household (who themselves may be eligible for one of the state welfare grants).

12 The question is phrased as follows: 'What was the total household expenditure in the last month? Include everything that the household and its members spent money on, including food, clothing, transport, rent and rates, alcohol and tobacco, school fees, entertainment and any other expenses.'

a month *increased* over the period 1997 to 2002, which suggests rising levels of poverty. In 1997 just under a quarter of all households were spending less than R400 a month; by 2002 the proportion in this expenditure category had increased to almost one-third of all households (an additional 1.5 million households). In 2002 adult equivalent household size was approximately 2.9 in households in the lowest expenditure category, implying that close to three people on average were surviving on a total expenditure of less than R400 a month.¹³

Table 4.6: Proportion of households in nominal total monthly expenditure categories

All	1997 OHS	1999 OHS	2001:2 LFS	2002:2 LFS	2002 GHS
R0–R399	24.5	27.1	32.5	30.5	32.4
R400–R799	30.6	28.5	27.8	27.5	28.2
R800–R1 199	15.6	14.3	12.6	12.6	12.4
R1 200–R1 799	9.2	9.2	7.6	7.9	7.3
R1 800–R2 499	5.8	6.3	5.8	6.2	5.7
R2 500–R4 999	9.2	8.4	7.8	7.8	7.4
R5 000 or more	5.0	6.3	6.0	7.4	6.6
	100	100	100	100	100
<i>African</i>					
R0–R399	31.5	33.6	39.4	38.0	39.5
R400–R799	37.2	33.5	31.8	32.1	32.7
R800–R1 199	16.4	14.7	12.9	13.2	12.5
R1 200–R1 799	7.6	8.4	6.6	6.9	6.4
R1 800–R2 499	3.5	4.3	4.0	4.2	3.9
R2 500–R4 999	2.9	3.9	3.8	3.7	3.4
R5 000 or more	1.0	1.5	1.4	1.8	1.6
	100	100	100	100	100
<i>Coloured</i>					
R0–R399	12.4	14.6	16.6	14.6	17.3
R400–R799	26.6	22.7	25.6	24.4	24.2
R800–R1199	21.1	18.9	16.7	17.0	16.7
R1200–R1799	15.1	14.1	12.9	12.7	13.0
R1800–R2499	11.0	11.1	9.3	10.6	11.1

13 Meth and Dias (2004), using data from the OHS 1999 and the LFS 2002:2, try to estimate the number of additional poor people in the lowest two expenditure categories (that is, R0–R799). After making various adjustments for inflation, adult equivalent household size, economies of scale, underreporting of expenditure and the impact of the social wage, they produce a range of estimates, but conclude that the number of people falling below a conservative poverty line increased over the three-year period by at least 2 million people.

	1997 OHS	1999 OHS	2001:2 LFS	2002:2 LFS	2002 GHS
R2500–R4999	10.8	13.7	13.0	12.5	11.8
R5000 or more	3.0	4.9	6.0	8.2	5.9
	100	100	100	100	100
<i>Indian</i>					
R0–R399	1.6	3.6	3.2	1.8	2.4
R400–R799	8.6	10.4	10.8	8.0	8.7
R800–R1 199	13.6	11.8	9.4	12.4	13.7
R1 200–R1 799	17.4	15.8	15.0	14.0	14.0
R1 800–R2 499	13.8	17.7	20.5	17.0	13.8
R2 500–R4 999	32.9	24.5	23.7	28.3	25.7
R5 000 or more	12.2	16.2	17.5	18.5	21.6
	100	100	100	100	100
<i>White</i>					
R0–R399	2.3	2.2	1.7	0.9	1.0
R400–R799	5.9	7.3	5.4	5.1	4.2
R800–R1199	9.7	9.2	8.6	6.2	8.5
R1200–R1799	12.6	9.1	9.1	9.3	8.6
R1800–R2499	12.7	12.1	12.5	13.4	13.0
R2500–R4999	33.5	27.6	27.9	26.0	27.4
R5000 or more	23.5	32.5	34.9	39.0	37.2
	100	100	100	100	100
<i>Urban</i>					
R0–R399	16.6	21.3	25.2	22.4	23.7
R400–R799	24.8	22.5	23.9	22.8	23.5
R800–R1 199	16.8	14.3	13.7	13.6	14.1
R1 200–R1 799	11.9	11.1	9.5	9.5	9.4
R1 800–R2 499	8.1	8.6	7.8	8.6	8.2
R2 500–R499	14.0	12.4	11.0	11.8	11.0
R5 000 or more	7.7	9.8	8.9	11.2	10.2
	100	100	100	100	100
<i>Rural</i>					
R0–R399	36.6	35.5	44.7	42.8	45.0
R400–R799	39.4	37.1	34.3	34.7	34.8
R800–R199	13.8	14.2	10.7	11.1	9.9
R1 200–R1 799	5.2	6.3	4.5	5.5	4.4

	1997 OHS	1999 OHS	2001:2 LFS	2002:2 LFS	2002 GHS
R1 800–R2 499	2.3	2.9	2.5	2.6	2.3
R2 500–R4 999	1.8	2.6	2.3	1.8	2.2
R5 000 or more	0.9	1.3	0.9	1.4	1.4
	100	100	100	100	100

Source: Own calculations using OHSs, LFSs and GHS

The racial and spatial biases are again clearly evident in expenditure levels. To point out just a few of the striking disparities: while over 70 per cent of African households in 2002 were spending less than R800 a month (falling into the two lowest expenditure categories), only 5 per cent of white households were spending less than R800 a month. Also, while a growing proportion of African households fell into the lowest nominal expenditure category over the period, the opposite was found among white households. Instead, there was a substantially larger increase in the proportion of white households compared to African households whose income fell into the top nominal expenditure category of R5 000 or more a month (as would be expected with bracket creep). For white households the increase was from about 24 per cent in 1997 to 37 per cent in 2002, while for African households, the increase was from 1.0 to 1.6 per cent.

There is also some evidence from Stats SA's Income and Expenditure Surveys (IES) which suggests that total household income and expenditure fell on average in South Africa between 1995 and 2000. Conducted every five years, the main aim of the IES is to provide weights for calculating the consumer price index, but in the process detailed information is collected on all sources of income (earned and non-earned) and on all types of expenditure. The survey found a 12 per cent decrease in real average household income, and a 3 per cent decrease in real average per capita income between 1995 and 2000. Real median income was also lower in 2000 than in 1995, suggesting that the poorest 50 per cent of the population were even poorer five years later (Stats SA 2002: 33). As far as spending is concerned, a fall of 22 per cent is recorded in real average household expenditure between 1995 and 2000. In per capita terms, expenditure fell by 15 per cent on average over the period. As with income, it was found that median expenditure was lower in 2000 than 1995, even taking into account inflation. Furthermore, the largest declines in these income and expenditure measures were recorded among African households (Stats SA 2002: 33).

While the 1995¹⁴ and 2000 IESs should have provided the most accurate data to analyse changes in poverty in post-apartheid South Africa (because of the detailed questioning in these surveys), it must be cautioned that the results from the 2000 IES have been called into question by some researchers (for example, Meth & Dias 2004; Simkins 2003). Concerns have been raised that the figures from the 2000 IES may be downward-biased, as they contradict the national accounts, there are more

¹⁴ See Woolard and Leibbrandt (2001) for a detailed discussion of measuring poverty in South Africa, in which estimates are based on the linked OHS 1995 and IES 1995 data.

internal inconsistencies in the 2000 data set than in the 1995 data set, and there is evidence of significant under-enumeration of white people in 2000 (Simkins 2003). While the results from the IESs are noted here, because of these concerns, these data are not explored any further in this chapter (for more details, see Stats SA 2002, and Hoogeveen & Özler 2004¹⁵).

Access to housing and services

As is evident from the discussion thus far, collecting reliable information on income and expenditure in household surveys is associated with a number of problems. In South Africa further complications arise as the survey design has not remained consistent over the period. It is easier to collect reliable information on observable features of the household's access to resources, such as the type of dwelling the household lives in, or its access to electricity, water and other basic services. In South Africa, the data on household services are also generally collected in a consistent manner over the years. The census, all the OHSs and the September rounds of the LFS contain, in most cases, comparable information on access to housing, electricity, water, and sanitation. In this section we look at changing access to housing and certain key services as measures of the economic well-being of households over the period. These aspects of household welfare are particularly relevant in post-apartheid South Africa, as the ANC government has made concerted efforts to improve access to them over the past decade.

Access to services plays a significant role in determining the well-being of household members. In a recent study of the determinants of subjective well-being in South Africa, households identified housing, sanitation, water, energy, transport and education as important factors (Bookwalter & Dalenburg 2004).¹⁶ There are, however, objective reasons why access to services plays a role in determining welfare, especially with regard to the determination of health status. The nature of households' access to water and sanitation has been shown to have a strong association with health, with a significant global burden of disease associated with poor access (Pruss et al. 2002). The association between health and water is particularly marked for children (Checkley et al. 2004). There are also health benefits associated with better access to electricity, particularly when used for cooking, as this reduces pollution levels within households (Ross et al. 1997).

The UNDP (2003) identifies seven basic areas of service as being important for the well-being of households: housing, energy for cooking, energy for lighting, energy for heating, water, refuse removal and toilet facilities. It is not possible in a chapter of this size to track changes in the provision of all seven of these services. This section examines the trends in access to, and, where possible, use of, a sample of services.

¹⁵ Using the linked OHS 1995/IES 1995 and LFS 2000:2/IES 2000 data, Hoogeveen and Özler (2004) find that there were an additional 2.3 million people living in poverty in 2000 compared to 1995 based on a \$2/day poverty line.

¹⁶ Although not analysed here, it is recognised that improved access to, for example, public education, healthcare and welfare services (such as school feeding schemes) are also important determinants of well-being or quality of life. See UNDP (2003, Chapter 2) for trends in composite measures of human development such as the human development index and the human poverty index.

These include housing, piped water, mains electricity (for lighting and cooking), and toilet facilities. An examination of this subset of services will provide some indication of how living conditions of South African households have changed since 1994, as well as raise a number of key issues around the government's service provision programme in South Africa.

Data from the 1995 OHS show how unequal the access to, and in the case of electricity, the use of, services was across race groups and between urban and rural areas when the new government came into power (Table 4.7). According to these data, seven per cent of households in the country had an informal construction as their main living structure. Informal housing is used here as an indicator of household well-being because of the temporary and insecure nature of the dwelling as a means of shelter, and the close association between informal housing and poor access to other services.¹⁷ Households living in informal dwellings in 1995 were predominantly African, with some coloured households living in similar circumstances. Informal housing is also primarily, although not exclusively, an urban phenomenon.

Table 4.7: Percentage of households with access to and making use of various services, 1995

	All	African	Coloured	Indian	White	Urban	Rural
Informal housing	7	10	4	0	0	9	5
Electricity for lighting	64	51	84	99	99	89	29
Electricity for cooking	57	44	75	99	98	83	22
Piped water	79	71	95	98	97	98	51
Flush toilets in dwelling	40	22	62	96	98	63	9

Source: Own calculations using OHS 1995

In 1995, only around half of African households were using electricity for lighting compared to almost all white and Indian households. There was also a considerable urban bias with less than a third of rural households using electricity compared to almost 90 per cent in urban areas. While for the wealthier white and Indian households there was little difference between the use of electricity for lighting and for cooking, for African and coloured households the use of electricity for cooking, a more expensive activity, was lower than for lighting.

The results for piped water show the percentage of households that have access either to a tap in the dwelling, to a tap in the yard, or to a public tap off-site, which they use for their main source of drinking water. Again, a clear racial bias is evident, as is an urban bias. Access to toilet facilities is dealt with in more detail later, but, as an indicator, the distribution of access to a flush toilet within the dwelling, as the best option, is shown to be highly uneven. Almost all white and Indian households had

¹⁷ The other common forms of housing captured in the surveys are various types of formal structures and traditional houses.

flush toilets within their dwellings, while African, and in particular rural,¹⁸ households had very low access.

Faced with this extremely uneven access to services inherited from the apartheid government, increased provision of formal housing and basic services has been an important part of the ANC government's plans to ameliorate inequalities in living conditions. Considerable changes in legislation and policy have been made over the past ten years as part of the government's efforts to address the imbalances outlined above (UNDP 2003). The nature and appropriateness of these efforts is not the focus of this chapter; the chapter concentrates rather on their outcomes.¹⁹

Access to housing

Many of the issues raised in the following subsections on services relate to the nature of housing in the country. Access to services in informal dwellings is clearly going to be very different from access in formal housing, and changes in the percentage of households that live in informal dwellings will therefore affect levels of service provision. Table 4.8 outlines the observed trends in the percentage of households whose main living structure is classified as informal.

Table 4.8: Percentage of households whose main dwelling is an informal structure

	1995 OHS	1996 Census	1997 OHS	1999 OHS	2000:2 LFS	2001:2 LFS	2002:2 LFS	2002 GHS
All	7	16	11	12	14	13	12	12
African	10	21	15	16	17	17	16	15
Coloured	4	8	4	6	8	7	6	7
Indian	0	1	1	1	2	0	2	1
White	0	0	0	0	0	0	0	0
Urban	9	23	15	17	18	17	17	17
Rural	5	6	5	6	7	7	6	6

Source: Own calculations using the Census, OHSs, LFSs and GHS

The results suggest a rise in the percentage of households living in informal dwellings, although the 1996 census is an outlier.²⁰ The increase in informal housing appears to have occurred primarily among African and urban households, although there has also been an increase in informal housing among coloured households. The increase in informal housing has been the subject of some analysis and various causal factors have been identified, such as the movement from rural to urban areas related

¹⁸ Note that over 90 per cent of rural households are African households. This was the case in both 1995 and 2002, the two endpoints of the analysis.

¹⁹ For a detailed discussion and analysis of government policies in this area see UNDP (2003).

²⁰ It is unclear why the census figures are so different from the survey figures, as the question changed little between 1996 and the surveys years. This higher proportion of informal dwellings captured by the census is also going to influence the results presented below relating to access to other services in 1996.

to job-search, as well as movement out of formal township areas initially sparked by violence (Nathan & Spindler 2001; Narsoo 2000; Todes 2001; UNDP 2003).

What is interesting to note is that, since 1999, the percentage of households living in informal houses has remained relatively constant. This suggests that while the number of informal houses is still increasing, the rate of growth may have slowed, possibly following an initial spurt of movement associated with the early stages of the political transition, and more recently related to the lower cost of living in rural areas (Klasen & Woolard 1998). The levelling-off of the proportion of households living in informal dwellings may also be related to increased access to formal housing as a result of the government's housing delivery programme.

The household survey data suggest that, during the same period, the proportion of households living in dwellings classified as formal did increase. It is the proportion of households living in dwellings classified as traditional or other which has been in decline (Stats SA 2002). The increase in formal dwellings has been boosted by the government's post-1994 housing delivery programme. Between 1994 and 2003, an estimated 1.5 million houses were built (Department of Housing statistics in UNDP 2003).

While this is, without a doubt, a notable achievement on the part of the ANC government, the quality of the low-cost housing provided has been called into question on a number of counts (BESG 2000; Tomlinson 1999; UNDP 2003). As the real value of the housing subsidy has fallen, many of the houses have been built in what has been described as a substandard manner: it has been estimated that 70 per cent of the houses did not meet the 35 square metre requirement and many offer insufficient resistance to cold and damp or have an interrupted electricity supply. Also, housing developments are often located on the urban periphery, increasing transport costs, and they have not provided the opportunity to receive rental income or to be used as collateral for loans as was anticipated (UNDP 2003). While a formal shelter is indisputably better than an informal shack, the observed increase in access to formal housing needs to be viewed in the context of the above-mentioned problems that have arisen in low-cost housing provision.

Access to and use of electricity

Electricity within a dwelling can be used for a number of different functions. These functions have different cost implications for, and benefits to, household members. Using electricity for lighting, for example, is far cheaper than using electricity for heating or cooking. For this reason, households that have access to electricity may still choose to use another fuel for cooking or heating, as cost may be a constraining factor. Examining connections to mains electricity only does not therefore give a full picture of the use of that electricity. To facilitate a more detailed understanding of trends, Tables 4.9 and 4.10 examine the use of, as opposed to simply the access to, electricity. Trends in two uses are outlined below: the use of electricity for lighting, a relatively cheap use; and the use for cooking, a more expensive application in terms of both initial investments and running costs.

As shown earlier, in 1995 the use of electricity for lighting was highly unevenly distributed along racial lines, as well as having a strong urban bias. Tracking the responses of households over seven surveys following the 1995 OHS shows a clear increase in the use of electricity for lighting (Table 4.9). In absolute terms, the rise in the number of households utilising electricity as their source of energy for lighting translated into an additional 2.5 million households, from 5.8 million households in 1995 to 8.3 million households in 2002.

Table 4.9: Percentage of households using mains electricity for lighting

	1995 OHS	1996 Census	1997 OHS	1999 OHS	2000:2 LFS	2001:2 LFS	2002:2 LFS	2002 GHS
All	64	58	65	69	72	75	76	76
African	51	44	54	61	65	69	70	70
Coloured	84	84	89	87	87	87	88	88
Indian	99	99	99	98	99	98	99	99
White	99	99	99	99	99	99	99	99
Urban	89	77	84	84	85	87	88	88
Rural	29	28	36	47	49	54	57	59

Source: Own calculations using the 1996 Census, OHSs, LFSs and GHS

The increase in the utilisation of electricity has come about largely as a result of increased access among African, and in particular rural, households. While around half of African households used mains electricity for lighting in 1995, by 2002 this had risen to 70 per cent. In rural areas utilisation doubled over the period, from just under 30 per cent to almost 60 per cent in 2002. Utilisation in white, Indian and urban households remained fairly constant, at high levels, over the period.

The large increase in the number of households using electricity for lighting is a positive trend and suggests that efforts to improve access to services are paying off. An examination of the percentage of households making use of electricity for cooking, however, suggests that the realisation of the benefits associated with increased access to electricity have, in some cases, been limited. Table 4.10 shows that among white and Indian households use of electricity for cooking has remained stable at high levels, while among African households use has remained relatively stable, but at *low* levels. Only among coloured households has the use of electricity for cooking increased significantly over the period.^{21, 22}

21 Usage among households as a whole appears to have remained constant over the period despite increases in usage among coloured households. This is in part a rounding issue and in part a result of the weight of African households in the total (among whom a very small increase is recorded between 1995 and 2002).

22 Note that the results from the 1996 census in Tables 4.9 and 4.10 are lower than those of the other surveys. As mentioned above, the census differed in the proportion of households classified as inhabiting an informal structure, recording far higher rates. It is reasonable to assume that, *ceteris paribus*, those living in informal housing would have lower access to services than the average household, at least in urban areas. The lower levels of use of electricity would therefore be expected, given the higher proportion of informal housing observed. As noted earlier, the reason for the difference in the estimated proportions of households living in informal dwellings between the census and the surveys is unclear.

Table 4.10: Percentage of households using mains electricity for cooking

	1995 OHS	1996 Census	1997 OHS	1999 OHS	2000:2 LFS	2001:2 LFS	2002:2 LFS	2002 GHS
All	57	47	54	53	54	57	57	57
African	44	30	40	39	43	47	45	46
Coloured	75	76	82	78	79	83	84	81
Indian	99	98	99	97	98	98	98	99
White	98	98	98	98	98	99	99	98
Urban	83	69	76	73	72	76	78	77
Rural	22	15	20	22	23	24	25	27

Source: Own calculations using the 1996 Census, OHSs, LFSs and GHS

The increase in the use of electricity for lighting suggests that the number of households with *access* to the service has increased. The results on the use levels for cooking imply, however, that there are factors limiting the realisation of other benefits of access to electricity. This conclusion is reinforced by similar results obtained on use levels for heating (Stats SA 2002). Factors that may constrain the use of electricity for cooking and heating include the high relative cost of the investments required to perform these functions – the purchase of a stove or heater, for example. The running cost of uses other than lighting is also far higher. In addition, there may be constraints relating to the nature of the connection. In some cases, low-income households have been connected with low-amp connections, not powerful enough to support heating or cooking (UNDP 2003). Furthermore, illegal connections may not always be stable enough to support uses beyond lighting.

Access to water

The nature of access to water is clearly a key factor in determining the well-being of household members. Having access to clean piped water improves the quality of life of families, making basic tasks easier, freeing up time to perform other activities (especially for women), and promoting better health (Checkley et al. 2004; Pruss et al. 2002). As was described earlier, the level of access to piped water in 1995 was very uneven. White, Indian and coloured households appeared to have very high levels of access to clean water in 1995. African, and in particular rural, households in contrast had much lower levels of access.

Before examining the changes over the period, however, a more detailed understanding of the starting point is required. In Table 4.7, access to piped water included those households that had water piped directly into their dwelling, those that had direct access to water on the site of the dwelling/yard and those that had

access to a public tap off-site.²³ Clean water can be obtained through other means, but the availability of piped water is tracked here as it is the most common form of access and it is also the type of access being promoted through the government's service delivery programme. In the following analysis trends in access to piped water are examined across household types, not only in aggregate terms, but also by the nature of that access. Table 4.11 presents the results on access to water in three cumulative steps, that is, they are reported as: 1) the percentage of households with a tap in the dwelling; 2) the percentage with a tap in the dwelling or a tap on-site/in the yard; and 3) the percentage with a tap in the dwelling, the yard, or a public tap off-site.

When access is disaggregated in this way its uneven distribution is far starker. In 1995, only 32 per cent of African households and 15 per cent of rural households responded that they used a tap within the dwelling as their main source of water, as opposed to 97 per cent of white and Indian households and 72 per cent of urban households. The situation among coloured households when portrayed in this manner shows a somewhat different situation from that suggested by the aggregate results. While access to some form of piped water was high among coloured households in 1995, at 95 per cent, only 71 per cent had access to water piped *directly* to the dwelling.

Overall access to some form of piped water increased over the period, rising from 79 per cent of households in 1995 to 86 per cent/83 per cent in 2002 based on the LFS 6 and GHS respectively. While the increase in overall access (the measure typically reported, see for example Stats SA 2002: 21) no doubt has a positive influence on the well-being of households, these aggregate figures mask important information.

Access to water for white and Indian households has remained high over the period with access almost entirely through direct supply to the dwelling. For coloured households, access has improved slightly over the period, largely as a result of increased direct access to water in the dwelling. The experience for African households, however, is markedly different. Aggregate access does appear to have improved, rising by about 10 percentage points over the period. This increase has not occurred through increased within-dwelling access though, but rather through increased access to public taps or other off-site sources. This in itself is an improvement compared to 1995, but it should be noted that non-direct access to piped water is associated with lower consumption per person and is a less hygienic alternative to direct access (Howard & Bartram 2003).

23 The remaining households used boreholes, rain water, streams, dams, springs or wells as their main source of water.

Table 4.11: Percentage of households with access to a tap in the household or yard, or a public tap, as their main source of water

	1995 OHS	1996 Census	1997 OHS	1999 OHS	2000:2 LFS	2001:1 LFS	2001:2 LFS	2002:2 LFS	2002 GHS
<i>All</i>									
Dwelling	48	44	42	39	39	40	40	39	39
Or yard	70	61	65	66	70	69	69	69	67
Or off-site	79	81	83	83	85	83	85	86	83
<i>African</i>									
Dwelling	32	27	23	21	25	25	26	23	25
Or yard	59	47	52	55	60	61	61	59	59
Or off-site	71	73	76	74	79	78	80	80	79
<i>Coloured</i>									
Dwelling	71	72	76	74	74	73	74	74	72
Or yard	92	91	93	92	92	90	92	92	91
Or off-site	95	96	97	97	97	95	98	97	96
<i>Indian</i>									
Dwelling	97	97	98	96	96	98	98	96	96
Or yard	98	99	100	96	99	99	99	99	99
Or off-site	98	99	100	97	99	99	99	99	99
<i>White</i>									
Dwelling	97	96	98	98	98	96	97	98	96
Or yard	97	97	99	99	99	97	98	99	97
Or off-site	97	97	99	99	99	97	98	99	97
<i>Urban</i>									
Dwelling	72	66	63	59	57	59	58	59	60
Or yard	94	85	88	89	89	90	90	91	91
Or off-site	98	98	99	98	98	98	98	99	99
<i>Rural</i>									
Dwelling	15	11	8	8	9	8	8	8	9
Or yard	36	25	27	31	33	32	32	33	33
Or off-site	51	54	57	61	59	55	58	61	60

Source: Own calculations using the Census, OHSs, LFSs and GHS.

Notes:

1. The question relating to access to water is asked relatively consistently over the period but with some important exceptions. In the OHS 1995 one question was asked on the main source of drinking water, and a second on the main source of water for other uses. In the other surveys, it is simply asked what the main source of water was. In the above table the main source of water for drinking is reported from the OHS 1995.
2. In the LFS 2001:1, households were asked whether they had access to piped water either in the dwelling, on the dwelling, or off-site. The other surveys had more options on water sources, but these have been collapsed into the three categories of the LFS 2001:1 for comparison.

What appears to have occurred over the period is an improvement in access to piped water, but a decline in the average quality of that access. A higher percentage of households now have access to some form of piped water as their main source of water, but a lower percentage have this access through direct supply to the dwelling.

Access to toilet facilities

Stats SA (2002: 26) has reported that access to flush or chemical toilets²⁴ has increased since 1995, although not significantly. As is the case with water supply, analysis of aggregate figures masks some of the subtleties related to the nature of the access. Table 4.12 presents the trends in access to toilet facilities, broken down into access to a flush toilet within the dwelling, a flush toilet on-site, a ventilated pit latrine (VIP) on site, another form of toilet on-site (such as a bucket or an unventilated pit latrine), off-site access only and no access at all. The disaggregated results highlight even further the uneven distribution of high quality access across households. In 1995, almost all white and Indian households had access to a flush toilet in the dwelling, compared to only 40 and 62 per cent of African and coloured households respectively. At the extreme end of poor access (that is, in the category representing no access), only African and coloured households are found.

The results in Table 4.12 suggest that the distribution and nature of access have remained relatively unchanged over the period, with some exceptions.²⁵ Indian and white households continue to have good access, and African households continue to have poor access, with the proportion of African households reporting a within-dwelling flush toilet perhaps even declining somewhat over the period. Coloured households appear to have had somewhat improved access to within-dwelling flush toilets between 1995 and 2002, however. The decline in within-dwelling access to flush toilets has occurred mainly in urban areas. This is likely to be associated with the rise in the proportion of households living in informal dwellings. There is, however, some evidence of an increase in the proportion of households with access to a flush toilet on site. This can be seen most clearly with regard to urban households and may relate to the nature of service delivery to informal households.

VIPs have traditionally been seen as the second best option when a flush toilet is not an option due to inadequate water supply (DWAF 2003). Access has remained at low levels across all households over the period, however, with the exception of the OHS 1995, which reported far higher access compared to other years. The reason for the difference in 1995 is unclear as the question was asked in a very similar manner across all the years. It is also important to note that among African households the proportion of households with no access to any form of toilet has not fallen, but rather exhibits a slight upward trend. These households are predominantly found in rural areas. Aside from being demeaning, no access to sanitation has been linked to poor health (Pruss et al. 2002).

²⁴ Chemical toilets are very uncommon and in the analysis presented in this chapter they are included in the 'other on site' toilet category.

²⁵ Note that the results from the 1997 OHS suggest higher access among African and rural households. While some of the rural variation could be explained by the different definition of the rural/urban variable in 1997 (see note to Table 4.1), the increase in total access cannot be explained as the question in 1997 was asked in a similar manner to the other years.

Table 4.12: The distribution of access to different toilet types

	1995 OHS	1997 OHS	1999 OHS	2000:2 LFS	2001:2 LFS	2002:2 LFS	2002 GHS
<i>All</i>							
Flush in dwelling	40	47	35	35	37	37	36
Flush on-site	14	14	19	22	21	19	19
VIP on-site	7	4	4	4	4	4	4
Other on-site	25	20	23	23	25	26	28
Toilet off-site	6	7	10	6	3	4	3
None	8	8	9	10	10	10	10
	100	100	100	100	100	100	100
<i>African</i>							
Flush in dwelling	22	31	17	20	22	20	20
Flush on-site	18	16	23	27	26	24	23
VIP on-site	10	5	5	4	5	5	6
Other on-site	32	29	31	28	32	34	34
Toilet off-site	7	9	12	8	3	14	4
None	11	10	12	13	12	13	13
	100	100	100	100	100	100	100
<i>Coloured</i>							
Flush in dwelling	62	64	68	69	71	72	70
Flush on-site	15	11	14	16	15	14	14
VIP on-site	2	1	1	1	1	1	2
Other on-site	15	18	8	7	9	8	8
Toilet off-site	3	4	4	4	0	2	2
None	3	2	5	3	4	3	4
	100	100	100	100	100	100	100
<i>Indian</i>							
Flush in dwelling	96	92	92	94	97	95	95
Flush on-site	2	5	4	4	2	3	3
VIP on-site	2	1	1	0	0	0	0
Other on-site	0	1	3	2	1	2	2
Toilet off-site	0	1	0	0	0	0	0
None	0	0	0	0	0	0	0
	100	100	100	100	100	100	100

	1995 OHS	1997 OHS	1999 OHS	2000:2 LFS	2001:2 LFS	2002:2 LFS	2002 GHS
<i>White</i>							
Flush in dwelling	98	92	98	98	99	99	99
Flush on-site	1	6	2	1	1	1	1
VIP on-site	0	0	0	0	0	0	0
Other on-site	1	1	0	1	0	0	0
Toilet off-site	0	1	0	0	0	0	0
None	0	0	0	0	0	0	0
	100	100	100	100	100	100	100
<i>Urban</i>							
Flush in dwelling	63	62	54	51	55	56	56
Flush on-site	21	21	27	30	29	28	28
VIP on-site	2	2	2	2	2	2	2
Other on-site	11	9	9	11	9	9	11
Toilet off-site	2	5	6	4	3	3	1
None	1	1	2	2	2	2	2
	100	100	100	100	100	100	100
<i>Rural</i>							
Flush in dwelling	9	22	7	8	7	8	8
Flush on-site	4	3	7	8	8	6	6
VIP on-site	15	8	6	6	8	8	8
Other on-site	44	38	43	46	50	52	51
Toilet off-site	9	12	16	9	4	4	4
None	19	17	21	23	23	22	23
	100	100	100	100	100	100	100

Source: Own calculations using the Census, OHSs, LFSs and GHS

Conclusion

In this chapter, attempts have been made to draw together the information available from census and household survey data to provide a picture of households' changing access to resources in post-apartheid South Africa. The data available clearly do not allow us to provide a definitive answer to whether or not the economic well-being of households has improved on average over this period. However, the evidence provided does not present a very optimistic outlook, especially with regard to African, and particularly rural, households.

Income from employment, most households' main source of income, has been declining on average between 1995 and 2003 – driven by rising unemployment and falling average wages among the employed. What limited information there is on other sources of income suggests that the proportion of households receiving social grants (the pension and child support grants in particular) has been increasing over the period, while the proportion receiving remittance income has been declining. To what extent the increased provision of state transfers over this period has compensated for the fall in average income from employment and remittances cannot be ascertained using the data currently available, and remains an important area of future research.

Household expenditure data were also analysed, and although these are likely to suffer from reporting errors, they at least provide the opportunity to examine *total* figures. Again, the results do not generate a very positive picture of household welfare levels – the proportion of households falling into the lowest *nominal* expenditure category rose considerably over the period, and particularly among African households.

Given the various problems with collecting information on income and expenditure, the data captured in the household surveys on access to housing and services were also analysed. Disaggregation of the overall figures suggests that, while access has been improving on average, the quality of this access has been less than ideal. Availability of formal housing has increased (although the quality of government-provided housing has been brought into question), but then so has informal housing. Access to piped water has risen but predominantly through the less-desirable method of off-site public taps. In the case of access to toilet facilities, neither the availability to any great extent nor the quality has improved. The realisation of the benefits of increased access to services has also been constrained by economic circumstances. This is evident in the greater number of households with access to electricity, but the stagnant *use* of electricity for cooking and heating.

What has also become clear from the analysis in this chapter is the constraint to research posed by insufficient and inconsistent data. Stats SA now conducts up to three household surveys a year, and yet comprehensive questions aimed at collecting information on all forms of income and expenditure are still not included in any of these surveys. This frustrates attempts to monitor the impact of government policies on household welfare levels.

Perhaps as important as concerns with whether and by how much conditions have improved or deteriorated over time, is that a strikingly large proportion of households *still* report low earnings from income, low expenditure levels, and no access to formal housing, electricity, or good quality water and toilet facilities. Despite the government's laudable attempts to improve households' access to resources in the post-apartheid decade, that such a large number of households are still living in dire conditions, however measured, requires renewed commitment to improving the quality of life among the poor in South Africa.

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