

Decent Standard of Living presentation to the NPC

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The Decent Standard of Living – a life of Dignity

- The Decent Standard of Living (DSL) project draws on international best practices to create a way to define exactly what is needed for people in South Africa to live without struggle – a decent life – and then to use this to measure the number of people in South Africa who have access to this life and the percentage of people who do not. This is a tool that helps policy makers, researchers, the media and oversight actors alike in our common commitment to advance a decent life for all in South Africa.
- We devised a study which contains a set of indicators, or Socially Perceived Necessities (SPNs), which survey participants deemed essential to live a decent life. These SPNs include material things such as a fridge or a fence around your property, as well as less tangible items such as someone to look after you when you are ill.
- From this list of SPNs, we were able to calculate the amount of monthly income you would need to live a decent life.
- As of September 2021, the median per capita income associated with a decent standard of living is R7 911.

Figure 2.2: Mean monthly per capita household disposable income, by per capita household disposable income decile

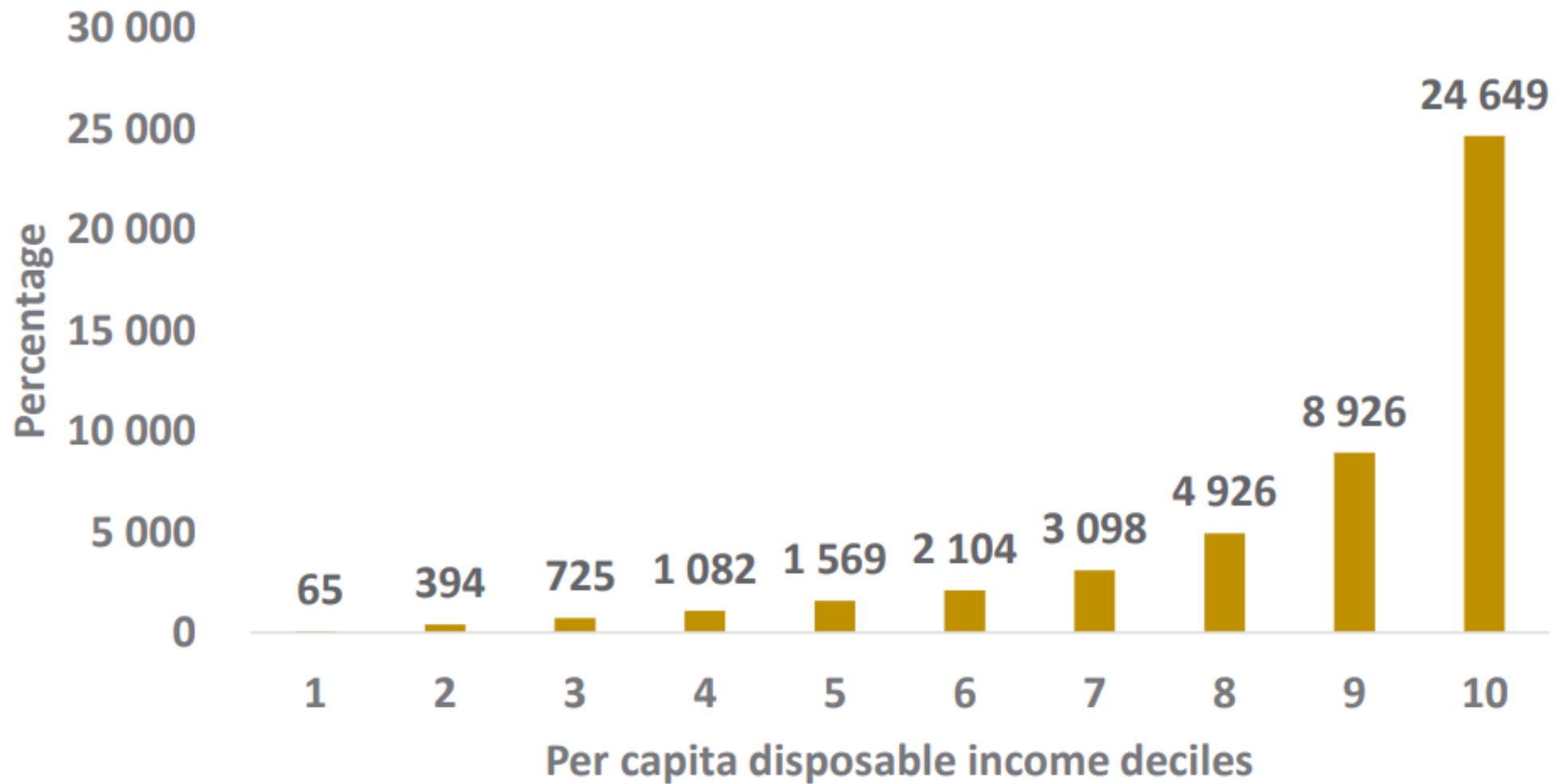
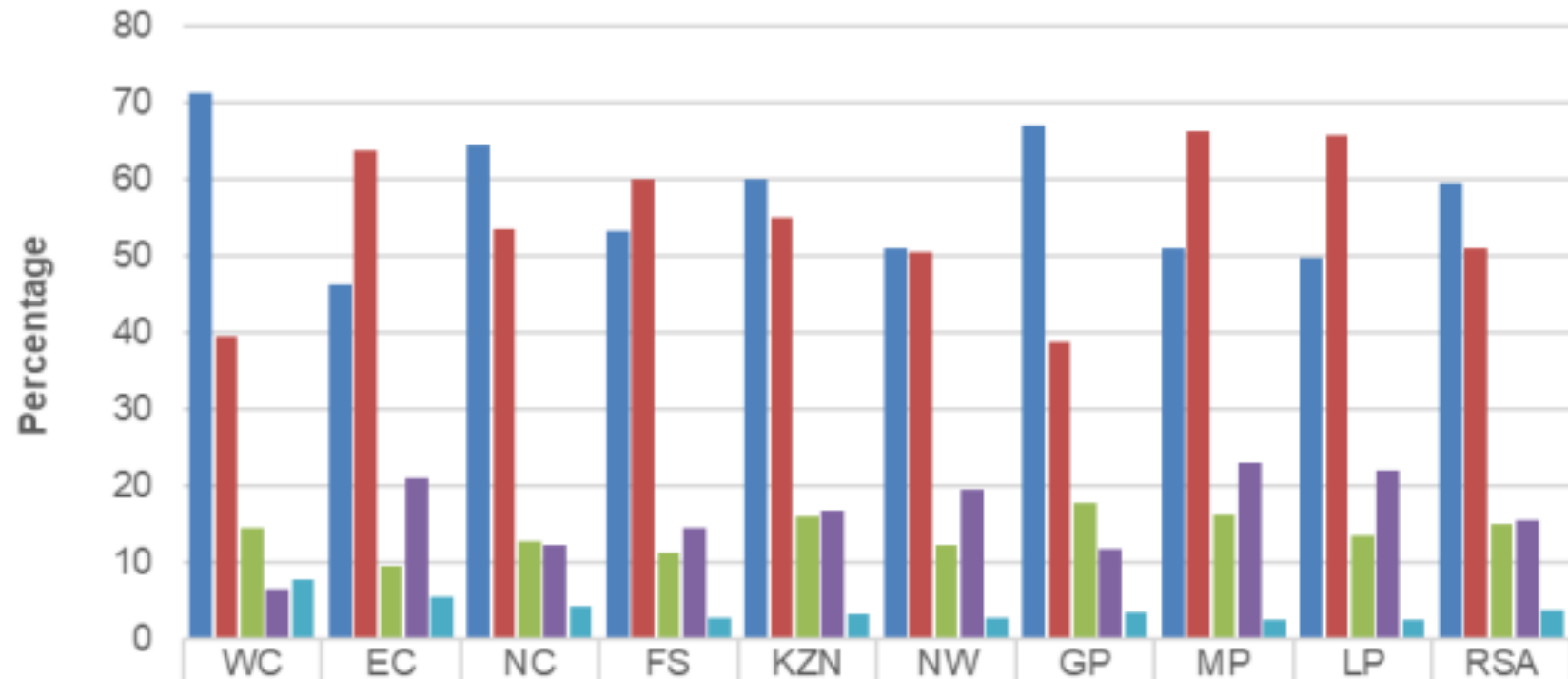


Figure 15.2: Percentage distribution of sources of household income by province, 2021



■ Salary	71,2	46,2	64,6	53,2	60,0	51,0	67,0	50,9	49,7	59,4
■ Grants	39,6	63,7	53,4	60,0	55,1	50,4	38,7	66,2	65,7	51,0
■ Income from a business	14,5	9,6	12,8	11,4	16,1	12,3	17,8	16,2	13,6	15,0
■ Remmitances	6,7	20,9	12,4	14,5	16,8	19,5	11,9	23,0	22,1	15,5
■ Pension	7,7	5,6	4,4	2,7	3,2	2,8	3,6	2,5	2,6	3,9

A specific household can have more than one source of income. Percentages, therefore, do not add up to 100%.

What is the Decent Standard of Living?

- The Decent Standard of Living (DSL) project is a groundbreaking study in South Africa that uses survey data to identify what constitutes a decent standard of living, and then quantifies the amount of monthly income that is associated with having the socially-determined decent standard of living which enables full participation in society (Frye et al., 2018).
- While other complementary poverty indicators exist, such as the upper and lower bound poverty lines, in addition to the food poverty line, the DSL is an attempt to go beyond that, using social consensus to measure what is required to not just merely survive, but to live a life without struggle. This is essential to the realisation of the fundamental right to dignity guaranteed to all in Section 9 of the Constitution.
- The South African government is a signatory to the United Nations (UN) International Covenant on Economic, Social, and Cultural Rights (ICESCR) that guarantees the right to an adequate standard of living for all in Article 11 of the Covenant.
- The UN CESCR Committee published its recommendations in November 2018 on South Africa's initial report on its implementation of provisions outlined in the ICESCR. One of the recommendations was that the South African government needs to create a composite index on the cost of living that provides the government with a benchmark to adequately set the levels of social benefits consistent with the requirement to ensure an adequate standard of living for all. The right to an adequate standard of living – which includes food, clothing and housing, and “continuous improvement of living conditions” is enshrined in ICESCR in Article 11.

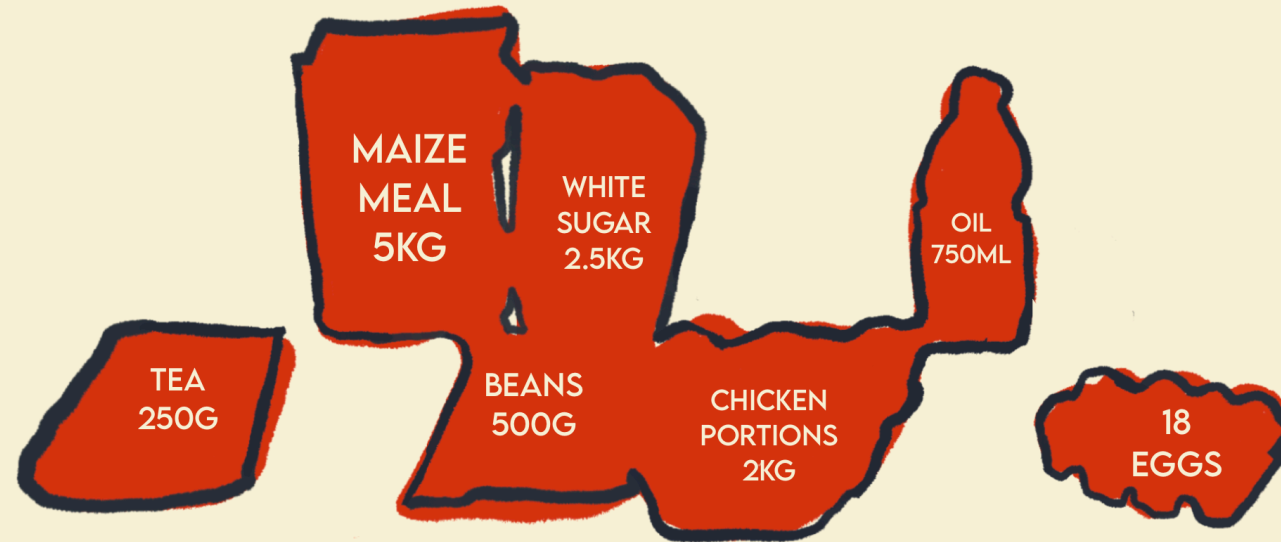
How is a decent standard of life measured?

- When the project was launched in 2014, the first step was to devise a set of indicators that would measure a decent standard of living. This was done in consultation with groups across several sections of society, including population group, gender, area type and income status.
- Out of a list of 50 possible items or conditions, a set of 27 'socially perceived necessities' (SPNs) were defined as essential to a decent life by a two thirds majority of South Africans surveyed. The SPNs include material possessions, social networks and features of the local neighbourhood.
- As this list is a set of indicators, rather than an exhaustive list of necessities, it allows us to sidestep the immense difficulty of determining the quantity and quantity of an essential basket of goods that is both representative of the population and also finite.
- In 2021, we decided it was time to refresh the survey in order to get an updated indication of whether these indicators are still relevant to a decent life today, and the associated monetary amount required. Due to Covid-19 restrictions, the survey was conducted telephonically instead of via panel interviews.
- The 2021 DSL refresh survey revealed an updated 27 number of SPNs as defined by a two thirds majority. While this is the same number of SPNs recorded in 2006, the list of SPNs is not quite the same: cell phone, burglar bars and bath or shower in the house joined the list of SPNs in 2021, while a neighbourhood without smoke or smog, television and radio dropped out.

What do the results mean? How can this survey information be used?

- It is important to note that the monetary figure derived from the SPNs is not the amount *required* for a decent standard of living, it is the amount *associated* with it. However, it can be used as a guide when reflecting on national minimum wage discussions, as well as social grants and monthly incomes.
- The combination of SPNs deemed as essential for a decent life are not only tangible items, but also reflect assets that can be derived from one's social networks – for example, someone to look after you if you are ill. Social capital is not necessarily correlated with financial capital, and the list of SPNs shows us that not all aspects of a decent life need to be commodified.
- The DSL offers more than a series of thresholds around which we can measure how many are below and how many are above. The DSL offers us ideas about how to move households towards a socially-derived vision of a decent standard of living. This decent standard of living measure provides a framework and rich source of data for future analysis and for informing policies regarding both public and private provision and acquisition of necessities in order to guide and facilitate the realisation of a democratically derived decent standard of living for all in South Africa.

R350 FOOD BASKET JUNE 2022:



*ACCORDING TO NAMC FOOD BASKET ITEM PRICES

INTERNATIONAL LABOUR ORGANISATIONS

DECENT WORK AGENDA



RIGHTS



4
PILLARS

FOSTERING
EMPLOYMENT



SOCIAL



OLDER PERSONS
R1890 - R2000

WAR VETERANS
R2000

DISABILITY
R1980

FOSTER CHILD
R1070

AID GRANT
R480

CARE DEPENDENCY
R1980

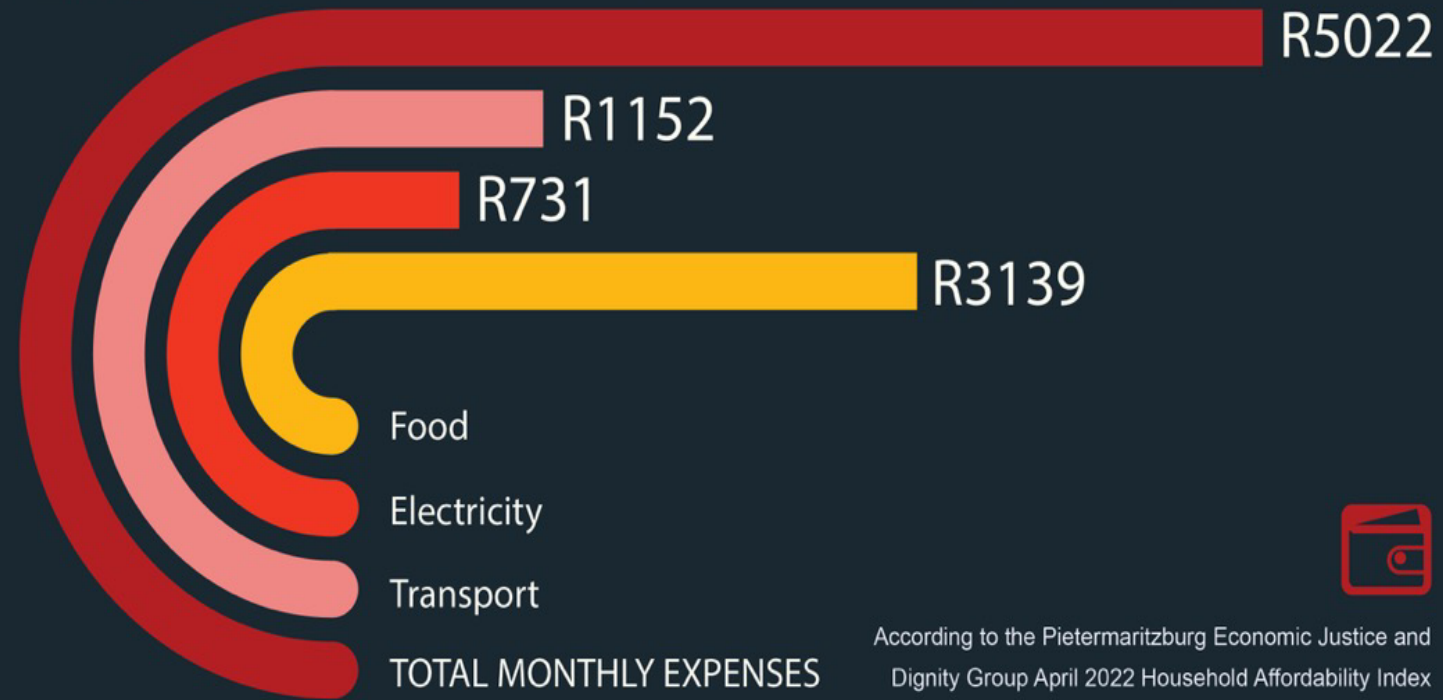
SOCIAL RELIEF OF DISTRESS
R350

CHILD SUPPORT
R480

GRANTS CURRENTLY AVAILABLE IN SOUTH AFRICA



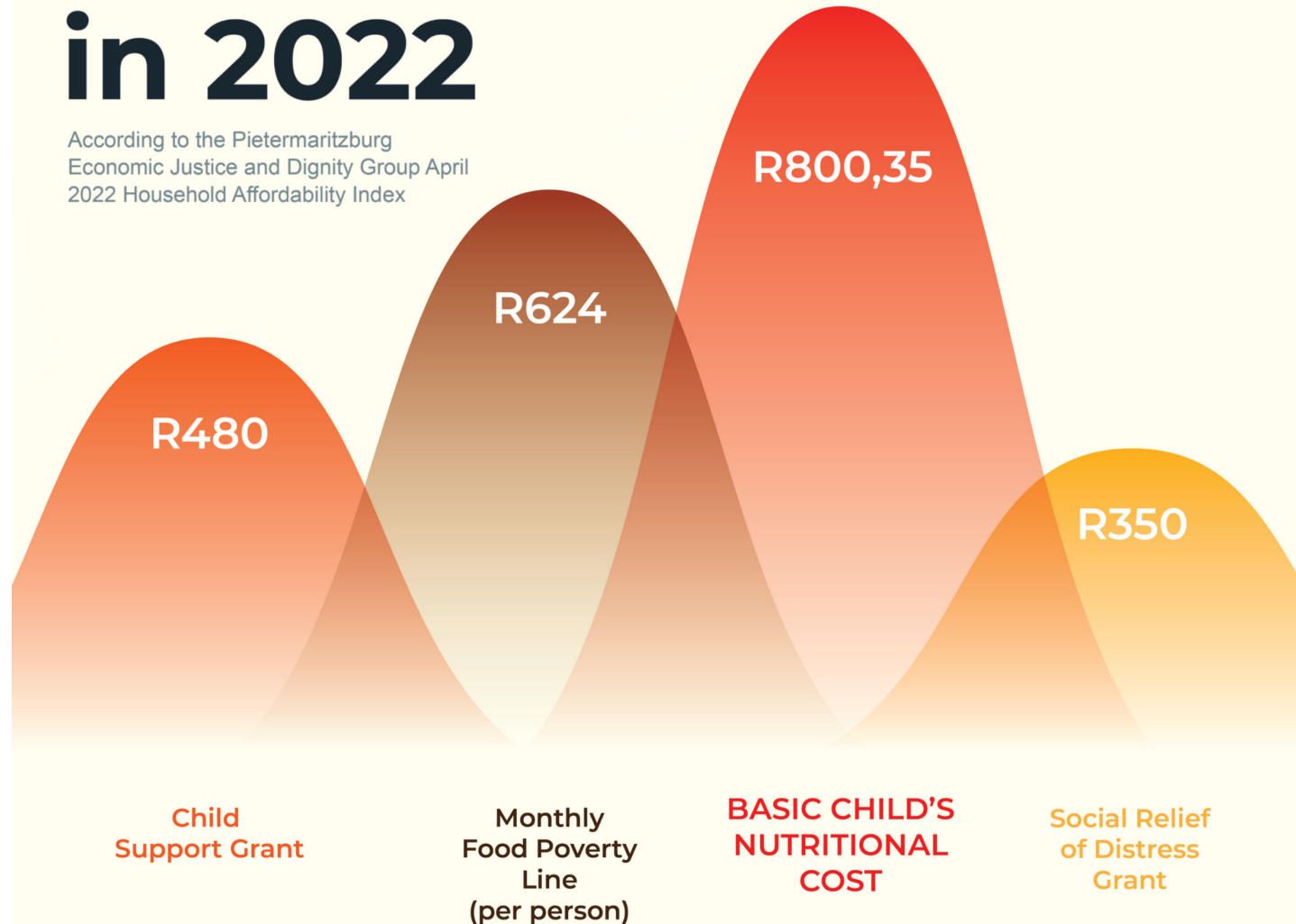
2022 AVERAGE SOUTH AFRICAN EXPENSES



According to the Pietermaritzburg Economic Justice and Dignity Group April 2022 Household Affordability Index

Feeding a Child in SOUTH AFRICA in 2022

According to the Pietermaritzburg
Economic Justice and Dignity Group April
2022 Household Affordability Index



The DSL Team: a partnership

- The project is a collaboration between Social Policy Initiative (SPI), the Labour Research Service (LRS) and Southern African Social Policy Research Insights (SASPRI).
- The work has been funded by Department of Social Development, Friedrich Ebert Stiftung, UNICEF and much volunteerism of the research partners.
- The DSL measure was launched in 2018 and drew on earlier studies involving both qualitative and quantitative methods, including:
 - Approximately 50 focus groups undertaken in 2004 across the country about what comprises an acceptable standard of living;
 - A module in the 2006 South African Social Attitudes Survey (SASAS) to determine which of a set of 50 items are essential for an acceptable standard of living (informed by the focus groups and piloted in 2005); and
 - Modules in the 2008/09 and 2014/15 Living Conditions Surveys (LCS) to measure possession or lack of the items.

Approach: Mixing Democratic Participation And Quantitative Verification

- The first step in constructing the DSL measure was to devise a set of indicators that would measure a decent standard of living. This was done by utilising the results from the SASAS 2006 module.
- **Out of a list of 50 possible items, a set of 21 'Socially Perceived Necessities' (SPNs) were defined as essential to a decent life by a two thirds majority of South Africans surveyed.**
- The SPNs included material possessions, social networks and features of the local neighbourhood. As this list is a set of indicators, rather than an exhaustive list of necessities, it allows us methodologically to sidestep the immense difficulty of determining the quality and quantity of an essential basket of goods that is both representative of the population and also finite.
- The next step was to measure possession of the SPNs and then explore the relationship between possession of the SPNs and income. This was undertaken with data from the LCS 2014/15.
- In order to remain relevant, the SPNs need to be reviewed from time-to-time. By 2021 it was deemed important to return to the field and refresh the 2006 survey in order to find out whether these indicators are still a good measure of a decent life currently, especially in a world so affected by the global Covid-19 pandemic.
- Because of Covid, we substituted the focus groups with telephonic surveys, and our findings reveal how the definition of a decent standard of living has changed since 2006 and providing a refreshed set of indicators – or SPNs – to underpin a new DSL measure in due course.

Reliability of Coefficients

- Cronbach's coefficient alpha is a technique that can be used to test the reliability of the set of items identified as essential (Cronbach, 1951). In other words, it looks at how well the indicators capture the underlying concept of a decent standard of living. It was used in the analysis of SASAS 2006 (Wright, 2008) and also in similar studies internationally. The scale reliability coefficient (alpha) measures the set of items defined as essential with all other hypothetical sets of items. The square root of the coefficient (alpha) is the estimated correlation of the set of items with a set of errorless true scores (Cronbach, 1951). For the set of 34 items defined as essential (based on a 50% threshold), the scale reliability coefficient (alpha) is 0.8572 and the square root of the coefficient (alpha) is 0.9259. In SASAS 2006, the scores were 0.9201 and 0.9592 respectively (Wright, 2008). Although not comprehensive, the 34 items can be considered a reliable measure of an acceptable standard of living as according to Nunnally (1981), reliability coefficients of 0.7 or higher are sufficient. If the higher two thirds threshold is used, the coefficient alpha is still above 0.7 at 0.8432 (square root 0.9183).

Summary of 2021 SPN Update Findings

- 34 items are SPNs in 2021, compared to 36 items in 2006. A garden (49%), some new clothes (46%), and a special meal at Christmas or equivalent festival (34%) dropped out of the list of SPNs in 2021, while a lock-up garage for vehicles moved in, but only just at 51%. Certain items saw a big change in the percentage of people responding essential between 2006 and 2021, including somewhere for children to play safely outside the house, a cell phone, and burglar bars in the house, which were regarded as essential by an additional 10% or more. There were also items which fewer people regarded as essential in 2021, including a place of worship in the local area, someone to lend you money in an emergency and a radio, which all had a difference of at least 10% points between 2006 and 2021.

¶	Item	% <u>responding</u> essential in 2021 ¶ (unweighted)	% ¶ responding essential in 2021 (weighted)	% ¶ responding essential in 2006
	Mains electricity in the house	93.05	92.42	92
	Someone to look after you if you are very ill	90.66	91.54	91
	A house that is strong enough to stand up to the weather, ¶ e.g. rain, winds, etc.	92.07	90.95	90
	Street lighting	90.99	90.55	85
	A fridge	90.01	90.05	86
	Clothing sufficient to keep you warm and dry	90.01	89.05	89

Item	% responding essential in 2021 (unweighted)	% responding essential in 2021 (weighted)	% responding essential in 2006
For parents or other carers to be able to buy complete school uniform for children without hardship	83.39	84.06	79
A flush toilet in the house	85.34	83.62	78
Paid employment for people of working age	84.15	83.52	79
Somewhere for children to play safely outside of the house	82.30	83.06	72
A cell phone	79.80	82.96	63
People who are sick are able to afford all medicines prescribed by their doctor	83.50	82.96	77
Having police on the streets in the local area	82.30	81.69	80
Separate bedrooms for adults and children	80.89	81.55	82
A neighbourhood without rubbish/refuse/garbage in the streets	81.54	80.35	75
Having an adult from the household at home at all times when children under ten from the household are at home	78.94	79.91	81

A fence or wall around the property	80.02	79.78	74
Someone to transport you in a vehicle if you needed to travel in an emergency	80.24	79.38	74
Burglar bars in the house	79.15	79.21	62
Ability to pay or contribute to funerals/ funeral insurance/ burial society	74.70	77.86	82
Being able to visit friends and family in hospital and other institutions	74.16	75.52	73
Tarred roads close to the house	75.35	74.78	80
Regular savings for emergencies	72.64	73.98	71
A place of worship (church/ mosque/ synagogue) in the local area	72.42	71.48	87
A large supermarket in the local area	69.92	71.34	75
A bath or shower in the house	73.94	70.45	62

Someone to talk to if you are feeling upset or depressed	67.75	69.24	76
A neighbourhood without smoke or smog in the air	63.95	63.68	69
Television / TV	59.50	63.58	69
Someone to lend you money in an emergency	51.36	55.29	66
A sofa / lounge suite	51.57	54.63	54

Exploring the Findings – SPNs pertaining to Children

There are five items which relate specifically to children:

For parents or other carers to be able to buy complete school uniform for children without hardship

Somewhere for children to play safely outside of the house

Separate bedrooms for adults and children

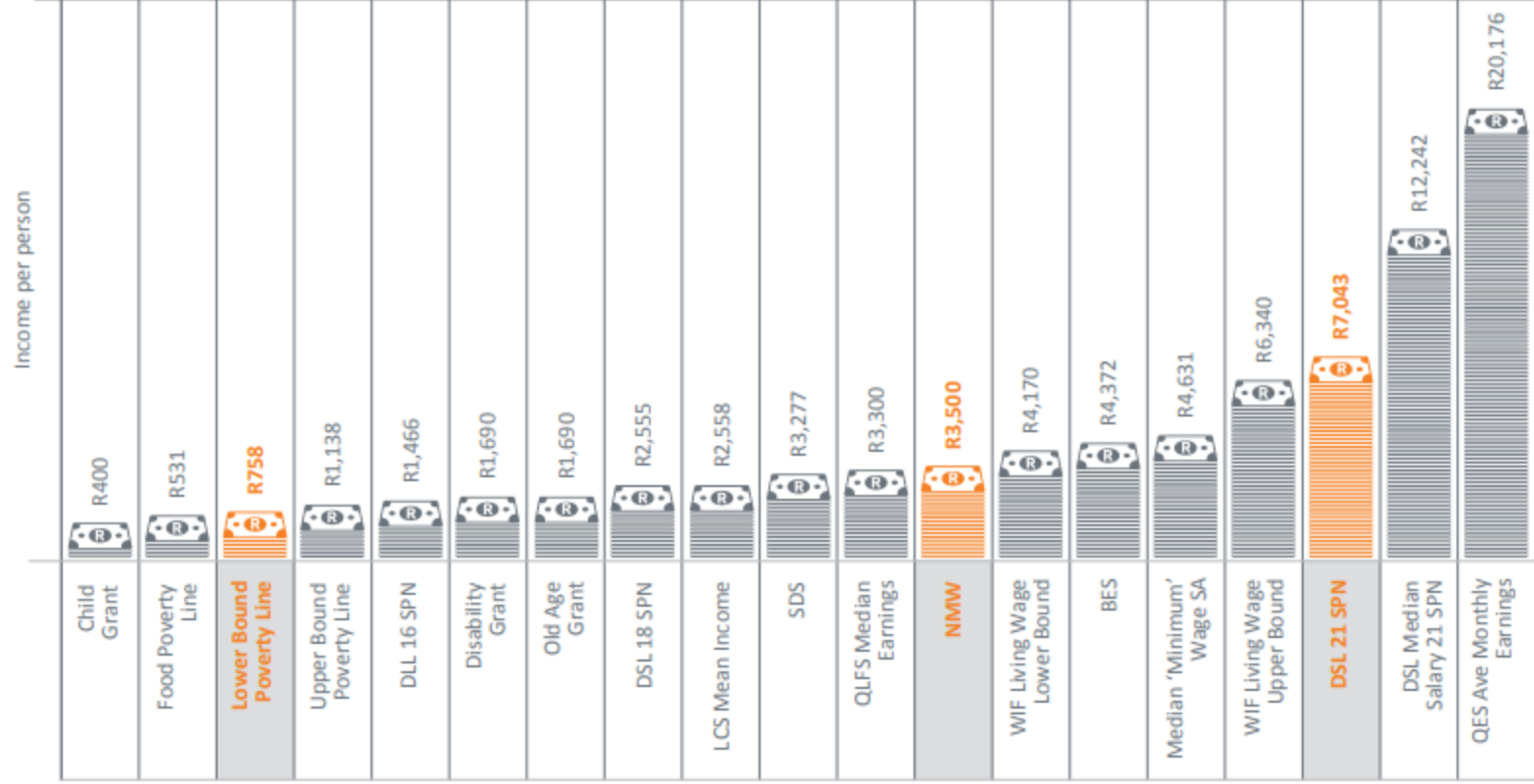
Having an adult from the household at home at all times when children under 10 from the household are at home

For parents or other carers to be able to afford toys for children to play with

PERCENTAGE OF SUB-GROUP RESPONDING ESSENTIAL FOR CHILD-FOCUSED ITEMS, SELF-DEFINED WEALTH STATUS

Child-focused item	Percentage responding essential			
	Wealthy	Comfort-able	Just getting along	Poor
For parents or other carers to be able to buy complete school uniform for children without hardship	51.04	86.47	83.25	82.40
Somewhere for children to play safely outside of the house	86.58	83.18	85.10	74.00
Separate bedrooms for adults and children	51.68	78.06	86.01	71.81
Having an adult from the household at home at all times when children under ten from the household are at home	82.68	85.56	77.45	76.58
For parents or other carers to be able to afford toys for children to play with	17.32	29.60	32.17	28.18

Income comparison



Source: LCS 2014/15

2022 DSL Income and Possession Survey

- Since the current 2021 survey did not ask questions on possession, it is not possible to carry out the detailed analysis undertaken for the DSL in 2018 when possession of the SPNs was measured in the LCS 2014/15 alongside household incomes.
- For the earlier study, the per capita median income of those possessing the 21 SPNs was calculated in April 2015 prices and subsequently updated each year using a special subset of the Consumer Price Index (CPI), referred to as the Decent Standard of Living Index (DSLII). Given the high degree of correspondence between the 2006 and 2021 SPNs, for the time-being, the DSL could continue to be updated using the DSLII methodology.

A detailed questionnaire was administered to 1000 carefully sampled participants, we are currently analysing the data and will be publishing towards the end of January 2023.

Great News: StatsSA has offered to carry the new SPNs in the new IEC that is going to field next month and will be released in 2024.