



DSL

Ubomu obunesidima ngoku!

#decentstandardofliving

TOWARDS A DECENT LIFE FOR ALL

Ubomu obunesidima ngoku!
'a life of dignity now!'

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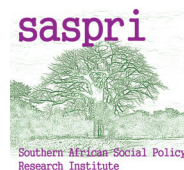




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INTRODUCTION

Mahatma Gandhi said that a nation's greatness is measured by how it treats its weakest members. How a nation defines the well-being of its weakest members is also a critical marker of its worth.

The Decent Standard of Living (DSL) project is a contribution to the better understanding of how the multiple dimensions of poverty impact on people's lives and of inequalities between people. It is about asking ordinary people to define what a decent life, or a life lived with dignity looks and feels like, and trusting in the collective vision, which is after all what built South Africa's liberation. It is intended to do more than measure how many people fall below the basic costs of meeting the survivalist nutritional intakes of food poverty lines.

This report is the latest in a long-standing collaboration between three progressive research institutes, the Social Policy Initiative (formerly known as the Studies in Poverty and Inequality Institute), the Southern African Social Policy Research Institute and the Labour Research Service. Support for this work has generously come from UNICEF SA, Friedrich Ebert Stiftung, as well as the Department of Social Development through its collaboration with the Wits Chair for Social Security.

The methodology applied in this programme of work is groundbreaking for its combination of participatory qualitative work and the use of survey data to understand what is required for a decent standard of living and then to measure how many people possess that standard. It uses the Socially Perceived Necessities (SPNs) approach which was pioneered over the last number of decades. This allows the South African DSL to be part of an international comparative movement of measurement and policy evaluation.

This report presents the findings from a new survey on possession of the SPNs that allows us to track possession of the SPNs over time, and to monetarise the monthly amount of income associated with people who possess all of the SPNs, or in other words, a decent standard of living. This builds on a survey conducted in 2021 where a new set of SPNs was identified (Barnes et al., 2022).

South Africa's Constitution is hailed for its inclusion of socio-economic rights as justiciable rights in Chapter Two. Most of these rights are universally bestowed, but subject to progressive realisation, driven by the state's available resources. What is never defined is the goal, or threshold of well-being, that we should be incrementally striving for. The DSL provides one answer to that.

This work has never sought to be a definitive answer. It is seen as providing a contribution to the growing field of knowledge and expertise. It is a source that has been referenced by the Department of Social Development (DSD) in the annual setting of the social assistance grants and is also referenced in the recently published Green Paper



on Comprehensive Social Security and Retirement Reform in the setting of a possible Basic Income Grant. It is also currently being considered by the National Minimum Wage Commission as constituting one measure to determine the statutory requirement for a medium term aspirational standard for future wage increases. In addition, SPI has proposed that it be adopted by government to provide an annual composite index on the value of the cost of living, as recommended by the UN Committee on Economic Social and Cultural Rights (CESCR) in its November 2018 *Concluding observations on the initial report of South Africa*.

This shows that the DSL has many potential policy applications. It also has a unique value of showing that there are different ways of moving towards better lives, with diverse actors being able to contribute towards reaching this goal. Not all depends on the state. In the *2018 definitive report on the DSL*, (Frye et al, 2018), three broad modalities for acquisition of the SPNs are explained. The first is through social networks. This covers SPNs such as 'someone to look after you if you are very ill'. The second is commodities that are bought, such as a fridge. The third is through the social wage, the goods and services provisioned by the state such as mains electricity connection.

The report also sets out the waves of acquisition of the SPNs, what is acquired when and why in that order. This knowledge is important in anticipating second order developmental impacts and knowing what micro policies can be used to accelerate earlier access to key goods or services.

The 2021 and 2022 surveys generated data which can be further mined and presented in the coming months. We are delighted that Stats SA agreed to carry the new SPNs in its *2022/23 Income and Expenditure Survey (IES)* which means that we will be able to have nationally representative data on possession patterns and income associated with possession of the SPNs. In addition, the DSL questions will soon be added to a global database of SPN surveys which provides the potential for a rich reach of comparative data analysis in time to come.



MAIN FINDINGS

Possession of the SPNs has increased over time

For the majority of SPNs, whether commodities or provided through the social wage or social networks, the percentage possessing the item in 2022 is higher than when possession was last measured in the *Living Conditions Survey (LCS)* in 2015. There is evidence that the roll out of some public goods by the state is having a positive impact on enabling more people to have access to the SPNs.

This is a positive finding about improvements in living standards since 2015 and a notable progress marker in state delivery which should be used to spur on greater commitment to rolling out quality services to enable more people to live decent lives.

Most people possessing all 22 SPNs live in cities

The vast majority (89%) of the 22 SPNs group are urban dwellers, predominantly in Gauteng and the Western Cape. These results can be contrasted with those possessing fewer than 10 SPNs (reflecting poorer households) where over half (53%) are from KwaZulu-Natal. 80% of the group possessing fewer than 10 SPNs are rural dwellers.

Only 6% of black Africans possess all 22 SPNs

Only 6% of black Africans surveyed possessed all 22 SPNs. 97% of the group possessing fewer than 10 SPNs are black African, which is 13% of all the black African respondents.

These findings show the inequalities that exist in South Africa between population groups and spatially.

Mean household size is smaller for people possessing all 22 SPNs

The mean household size for the 22 SPNs group is 3.7 people. For the 10 SPNs or fewer group, the mean household size is 5.2 people.

Poorer households have more children present

61% of households possessing all 22 SPNs have children in the household. 80% of households only possessing 10 or fewer SPNs have children in the household.

Income levels and sources

The median monthly household income for respondents possessing 22 SPNs is R18,102 and the mean is R28,843. 86% of this group have salaries as the main source of income in the household.



However, for the respondents possessing 10 or fewer SPNs the median monthly household income is R2,263, and the mean is R3,929. Salaries are still the main source of household income in many cases (42%), but for 38% the main source of income is social grants.

The findings on household size, children in the household and income levels and sources suggest that child poverty is prevalent and that many household members are dependent on social grants not specifically targeted to them, as well as other income sources, leading to income dilution. The analysis also points to general income and wage inequalities. These findings have implications for social grant provision (value and coverage of grants) as well as income redistribution through taxation.

The DSL measure is the median per capita income of households with all SPNs. The median is chosen for the DSL as it is less affected by outliers in the data.

High levels of cell phone possession

Cell phone possession is one of the items in all or almost all households, even when only a small number of SPNs are possessed.

This suggests that government communication through cell phones is likely to be a more important mode of information delivery than radio or TV, with implications for data affordability and the availability of content on data free websites.

Certain SPNs are acquired later than others

Some SPNs are not possessed by people until they have acquired a number of other SPNs ('late jumpers'). Examples include police on the streets and a neighbourhood without rubbish in the streets where possession becomes more widespread at the point that 18 or more of the 22 SPNs are possessed.

Such SPNs may be harder to acquire for certain households where acquisition would require resources to move to a better neighbourhood with visible policing and clean streets. In terms of state delivery, these examples suggest that visible policing is much lower in poorer communities than in wealthier communities, and that local council services (sanitation) in poorer communities is of a lower standard than in wealthier suburbs. Such findings have government performance and budgeting implications.

The Decent Standard of Living amount has fallen

The DSL measure is the *median per capita income of households with all SPNs*. The median is chosen for the DSL as it is less affected by outliers in the data.

The DSL for 2022 based on the new survey is R6,034 per capita per month compared to the DSL for 2022 using the LCS based DSL (DSL 2018) updated by the CPI which is R8,327 per capita per month.

The new DSL measure is therefore lower than the equivalent figure derived from the LCS version of the DSL, which could be explained by methodological differences in the calculation of the DSL measure in the two surveys. Analysis of the data from the IES 2022/23 will help to unpack this finding.



PREVIOUS WORK ON CONSTRUCTING THE DECENT STANDARD OF LIVING MEASURE IN SOUTH AFRICA

In 2021, it was deemed important to refresh the SPNs and find out whether they still provided a good measure of a decent life, especially since the global COVID-19 pandemic.

The Decent Standard of Living (DSL) measure was launched in 2018 (Frye et al., 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.

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. Respondents to SASAS were asked which of a list of 50 items they considered essential for an acceptable standard of living. Out of these 50 possible items, 21 items were defined as essential by over two thirds of South Africans in the nationally representative survey. The SPNs included material possessions, social networks and features of the local neighbourhood.

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 which has an April 2015 time-point. The final DSL measure is the per capita monthly household income of households possessing all 21 SPNs. It is therefore the income *associated* with a decent standard of living, not the cost of attaining or the income required to attain that standard.

In order to remain relevant, the set of SPNs needs to be reviewed periodically. By 2021, 15 years after the original SASAS survey, it was deemed important to refresh the SPNs and find out whether they still provide a good measure of a decent life, especially following the global COVID-19 pandemic.



In 2021, BDRC Africa was commissioned to conduct a new survey to obtain attitudinal information about the things that people need for an acceptable standard of living in South Africa in 2021. Using an almost identical set of questions to SASAS 2006¹, a survey was carried out with approximately 1,000 respondents. Due to Covid-19 restrictions, the survey was conducted via telephone interviews.

This new survey in 2021 gave very similar results to those obtained from SASAS 2006 (Barnes et al., 2022), and confidence in continuing to update the DSL measure from April 2015 prices by either the Consumer Price Index (CPI) or a special subset of the CPI, referred to as the Decent Standard of Living Index (DSL).

Nevertheless, it was recommended in the report that a second survey be carried out asking about possession of the SPNs and including a household income question, to enable the DSL measure to be re-based to a more recent timepoint. This new survey on possession of the SPNs conducted in 2022 is the focus of this report.

1 For the 2021 survey, landline was dropped and smart phone was added.



METHODOLOGY

The 2021 survey gave a set of 27 SPNs when using a threshold of two thirds or more of respondents regarding the item as essential. A further seven items were regarded as essential by 50% or more of respondents, giving a total of 34 SPNs.

All 34 items were included in a new survey conducted by BDRC Africa in August and September 2022. This was again via Computer Assisted Telephone Interviewing (CATI). A total of 1,015 interviews were completed and respondents were randomly selected from a South African consumer database list provided by List SA. A screening process at the beginning of each interview ensured respondents were eligible to participate based on a quota-controlled sample designed to be representative of the South African population in terms of gender, age, population group, income and urban/rural dwelling.

The screening questions captured demographic information about the respondent, including gender, age, population group, province, urban/peri-urban/rural dweller, household composition (number of adults over 18 and number of children under 18 living in the household), and also information on household income, including income band, sources (and main source) of income, and a self-defined wealth/poverty status question.

The income question asked about income bands rather than point incomes. The banded income question from *StatsSA's 2022 Census* was used as it was felt that respondents would be familiar with the question having just completed the Census. It is also a question that has been asked in the same way in both the 2011 and 2022 Census questionnaires and there is an established methodology for deriving point incomes (needed for the DSL measure - see below) from the banded incomes.

The main survey section comprised 34 questions about possession of the SPNs, split into three questions according to whether they were material possessions, features of the neighbourhood or related to relationships with their friends and family. For each of the items, respondents were asked whether they 'HAVE', 'DON'T HAVE AND DON'T WANT' or 'DON'T HAVE AND CAN'T AFFORD' the item. For each of the features relating to neighbourhoods and relationships with friends and family, respondents were asked whether they 'HAVE' or 'DON'T HAVE' each item.

The 2021 survey sample was compared with *Statistics South Africa's Mid-Year Population Estimates (MYPE)* for 2021 for three key demographic characteristics. Although the distributions were similar in the survey sample and MYPEs, there were some notable discrepancies and it was therefore decided to reweight the survey data. In the latest 2022 survey, the sample is much closer to the MYPEs for 2022 and so reweighting was not considered necessary (see *Table A1 in Appendix 1*).



FINDINGS

Possession of the SPNs

The analysis in this report focuses first on possession of the 27 SPNs regarded as essential by two thirds or more of respondents to the 2021 survey. Results for all 34 SPNs are presented in Table A2 of Appendix 1.

Table 1 shows the percentage possessing each item according to the 2022 survey, compared with the percentage possessing the item in the LCS 2014/15. The table is sorted in descending order of the percentage possessing the item in 2022. For almost all items, the percentage possessing the item in 2022 is higher than in 2015. Notable exceptions where the percentage possessing the item has decreased over time are two child-related items (having an adult at home at all times when children under ten from the household are at home and being able to afford complete school uniforms without hardship), two neighbourhood-related items (having police on the streets, and a neighbourhood without rubbish on the streets), and being able to visit friends and family in hospital and other institutions. The latter may be explained by restrictions imposed on visiting hospitals/institutions during the COVID-19 pandemic.

Table 1: Possession in 2022 and 2015

	ITEM	% in 2022	% in 2015
1	A cell phone	98.3	94.3 (+1.1)**
2	Mains electricity in the house	96.1	89.4
3	A fridge	93.2	74.2 (+ 3.9)**
4	A place of worship (church/ mosque / synagogue) in the local area	91.0	92.8
5	Clothing sufficient to keep you warm and dry	88.9	79.4
6	Paid employment	86.1	68.7
7	Someone to talk to if you are feeling upset or depressed	85.2	84.3
8	A house that is strong enough to stand up to the weather, e.g. rakin, winds, etc	87.2	70.1



9	Someone to look after you if you are very ill	82.2	82.6
10	Separate bedrooms for adults and children*	78.2	69.7
11	Street lighting	74.1	55.5
12	Having an adult from the household at home at all times when children under ten from the household are at home*	72.9	79.9
13	Tarred roads close to the house	72.8	58.8
14	Ability to pay or contribute to funerals/ funeral insurance/ burial society	72.5	71.1
15	A flush toilet in the house	72.5	41.3
16	A large supermarket in the local area	72.1	52.9
17	A fence or wall around the property	71.9	70.6
18	Ability to visit friends and family in hospital and other institutions	70.0	87.7
19	Burglar bars in the house	66.9	46.5
20	For parents or other carers to be able to buy complete school uniform for children without hardship*	65.4	83.7
21	Someone to transport you in a vehicle if you needed to travel in an emergency	63.8	63.7
22	A bath or shower in the house	61.4	41.2
23	A neighbourhood without rubbish/ refuse/ garbage in the streets	52.6	57.3
24	Somewhere for children to play safely outside of the house*	50.4	36.5
25	Having police on the streets in the local area	48.4	53.7
26	People who are sick are able to afford all medicines prescribed by their doctor	45.4	***
27	Regular savings for emergencies	37.0	32.4

Notes: * For child items, the denominator is households containing children. ** In the LCS 2015, some items had a choice of response with regard to possession of either 'owns' or 'does not own but has access' which are reflected in the table with the 'owns' percentage reported and the additional 'does not own but has access' percentage given in brackets. *** This question was not asked in the correct way in the LCS 2014/15 and so could not be included in the DSL 2018 measure. Paid employment is having at least one adult in the household in employment, rather than paid employment for people of working age, which is the original SPN.



Table 2 shows the items where there has been a large change in the percentage possessing an item between 2015 and 2022. For example, the percentage possessing a flush toilet in the house increased from 41.3% in 2015 to 72.5% in 2022.

For two of the four child items, there was a large difference between the percentage possessing the item in 2015 and the percentage possessing the item in 2022. The percentage having somewhere for children to play safely outside the house increased from 36.5% in 2015 to 50.4% in 2022. Conversely, fewer respondents reported being able to afford complete school uniform for children without hardship in 2022 (65.4%) than in 2015 (83.7%).

Table 2: Differences in possession between 2015 and 2022

ITEM	% in 2022	% in 2015	Difference between 2015 & 2022
A flush toilet in the house	72.5	41.3	31.2
Burglar bars in the house	66.9	46.5	20.4
A bath or shower in the house	61.4	41.2	20.2
A large supermarket in the local area	72.1	52.9	19.3
A fridge	93.2	74.2	19.0
Street lighting	74.1	55.5	18.6
Tarred roads close to the house	72.8	58.8	14.0
Somewhere for children to play safely outside of the house*	50.4	36.5	13.9
A house that is strong enough to stand up to the weather, e.g. rain, winds, etc.	82.7	70.1	12.6
For parents or other carers to be able to buy complete school uniform for children without hardship*	65.4	83.7	-18.3
Ability to visit friends and family in hospital and other institutions	70.0	87.7	-17.7

Some of the results relating to the percentage possessing an item seem to be a little high. Other analysis reported in a later section reveals that the number of cases in the sample is very small where possession of the SPNs is very low. While this may reflect the situation nationally, if it is in fact the case that lower income/possession groups have been under-sampled, this will affect the results presented in Tables 1 and 2, with a higher percentage of the cases shown to possess an item than would be seen in a sample with more cases from the lower income/possession groups.



One way of checking the results is to compare them to information from another survey where possession has been measured. The most recent *General Household Survey (GHS)* in 2021 (Stats SA, 2022) has information on possession of six of the items included in the telephonic survey. Table 3 shows the percentage possessing an item in 2022 compared with the percentage in 2021 in the GHS for the whole of South Africa. Comparing the results for 2022 with the GHS 2021, it can be seen that the results are broadly similar. For example, 98.3% of households possessed a cell phone in 2022 compared to 97.3% in the GHS 2021.

The two results that stand out are mains electricity in the house and a neighbourhood without rubbish/refuse/garbage in the streets. For mains electricity, the percentage is higher in the telephonic survey (96.1%) than in the GHS (89.3%), while for a clean neighbourhood, the percentage is much lower in the telephonic survey (52.6%) than in the GHS (62.9%). For both items, it may be that the questions do not correspond exactly in the two surveys (see table notes), and also the GHS results show the national picture, whereas the telephonic survey covered five provinces only. Nevertheless, this brief analysis reveals that the results from the telephonic survey are broadly in line with other information on possession.

Table 3: Comparison of possession in the 2022 survey and the GHS 2021

ITEM	% item in 2022	% in GHS 2021 SA
A cell phone	98.3	97.3
Mains electricity in the house	96.1	89.3
A fridge	93.2	87.3
A house that is strong enough to stand up to the weather, e.g. rakin, winds, etc	82.7	83.6
A flush toilet in the house	72.5	64.8
A neighbourhood without rubbish/ refuse/ garbage in the streets	52.6	62.9

Source: Stats SA (2022)

Notes: The corresponding items from the GHS are:

Cell or cell and landline (functional)

Connection to mains electricity (as provided by the municipality or ESKOM, not from generators)

Refrigerator (ownership of asset)

Television (ownership of asset)

Formal dwelling (structure built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere. Contrasted with informal dwelling and traditional dwelling.)

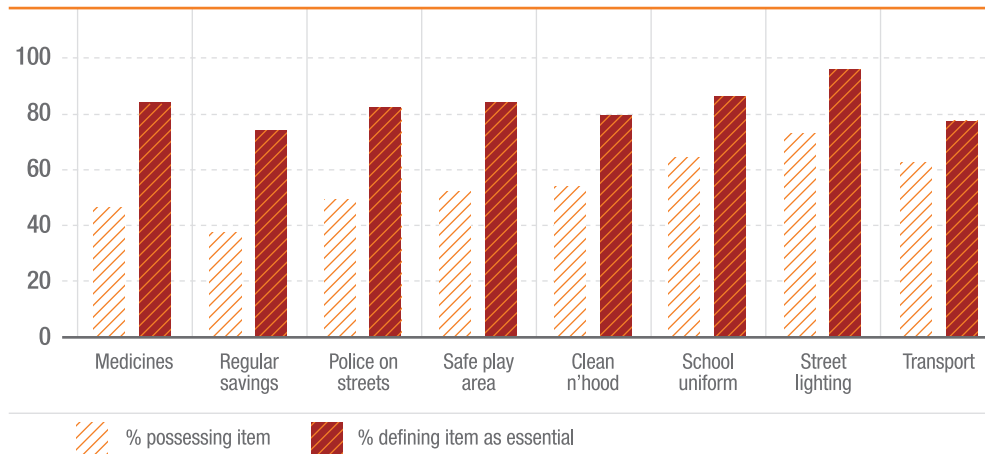
Flush toilets (either connected to a public sewerage system or a septic or conservancy tank)

Rubbish removal once a week or less (as opposed to rubbish dumps)



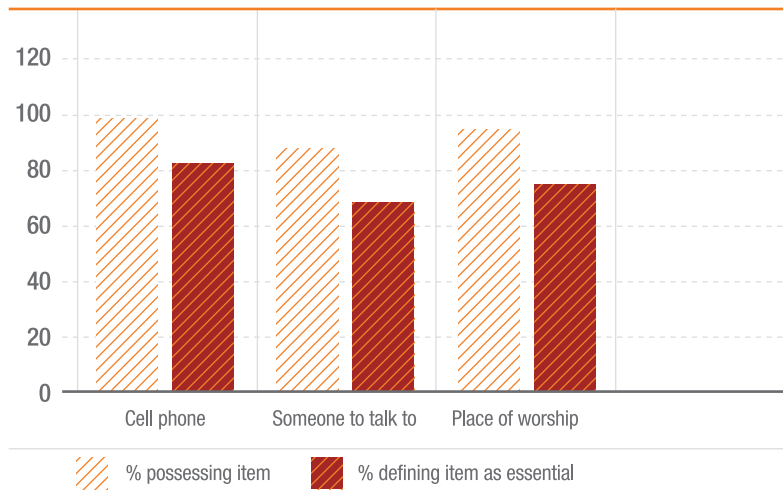
It is interesting to compare the percentage defining an item as essential (2021 survey) with the percentage possessing an item (2022 survey). The first chart (Figure 1) shows some of the items where the percentage possessing the item is lower than the percentage defining the item as essential (those items with the greatest difference). For example, 83% of respondents to the 2021 survey defined being able to afford prescribed medicines as essential, whereas only 45% of respondents to the 2022 survey were able to do so ('possessed' the item). Two of the four child items - safe play area and school uniform - had a large difference between the percentage defining them as essential and the percentage possessing them.

Figure 1: Selected items where the percentage possessing item is lower than the percentage defining them as essential



The second chart (Figure 2) shows some of the items where the percentage possessing the item is higher than the percentage defining the item as essential. For example, 83% of respondents to the 2021 survey defined a cell phone as essential, whereas 98% of respondents to the 2022 survey possess one.

Figure 2: Selected items where the percentage possessing item is higher than the percentage defining them as essential





REASONS FOR NON-POSSESSION

For all items (with the exception of radio) where it is possible to look at the reason the item is not possessed, the percentage who do not have the item is higher for 'can't afford' than 'don't want'. For radio the percentages are very similar.

For each item there are some respondents who say that they do not want the item, and while this may be the case, sometimes it can be because of adaptive preferences, where people may have altered their outlook 'due to their lack of resources and state that they do not want the item when in fact they would obtain the item if they had the resources or their circumstances changed' (Wright, 2011: 21).

Unfortunately, there are insufficient cases in the 'don't have, don't want' group for different items to be able to look into this in more detail.



GENDER DIFFERENCES WITH REGARD TO POSSESSION

With regard to gender, on the whole there are not many differences in the possession of items as reported by male and female respondents.

The most remarkable findings are for items relating broadly to 'safety', for example burglar bars, a fence or wall round the property, street lighting and a lock-up garage. These were all possessed by a higher percentage of female than male respondents. Now obviously these items are possessed or not possessed by all members of the household, which may well have both male and female residents, but it is nevertheless interesting that female respondents report possession more than male respondents.

There were also differences for a flush toilet and a bath or shower in the house where again, a larger proportion of female respondents reported possessing the item.

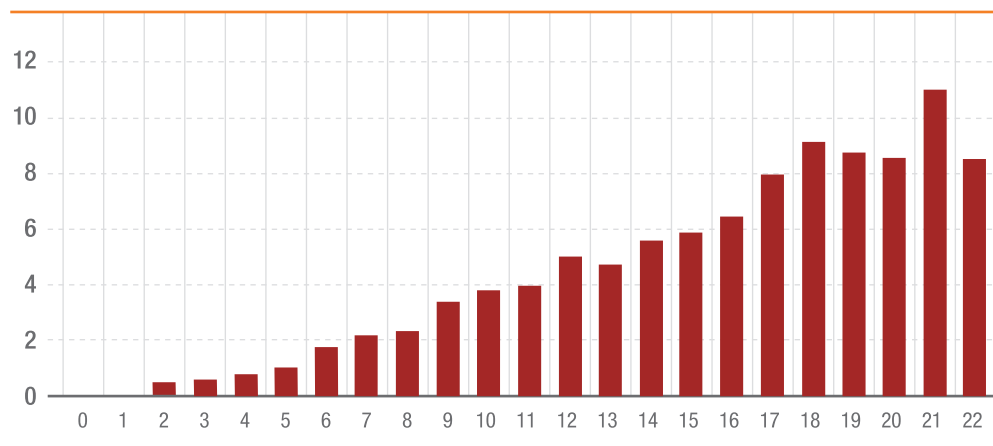


POSSESSION OF THE SPNs INCLUDED IN THE DSL

As for the DSL 2018, certain items had to be dropped from the list of SPNs when constructing the DSL measure as they did not apply to all households: four child items and paid employment for people of working age. This gives a set of 22 SPNs on which the subsequent analysis is based. This set of SPNs (derived from the 2021 survey), is slightly different to the set used in the DSL 2018 (derived from SASAS 2006). Cell phone, bath/shower in the house and burglar bars in the house are included this time, along with ability to afford prescribed medicines which could not be included in the DSL 2018 due to measurement issues. Several items are not included this time: radio, television and neighbourhood without smoke or smog in the air.

Figure 3 shows the percentage possessing each number of SPNs, from 0 through to 22. Everyone has at least 2 SPNs, while 8% of respondents have all 22 SPNs. There is a steady rise in the percentage possessing each number of SPNs until 18 SPNs when the percentages level off at between 8 and 9%. There is then a spike where 11% of respondents possess 21 SPNs, before the percentage returns to around 8% at 22 SPNs. The results presented next will help shed some light on the spike that is seen at 21 SPNs.

Figure 3: Percentage possessing 0 - 22 SPNs



Note: The number of cases is very low (<10) for no. of SPNs 2-5

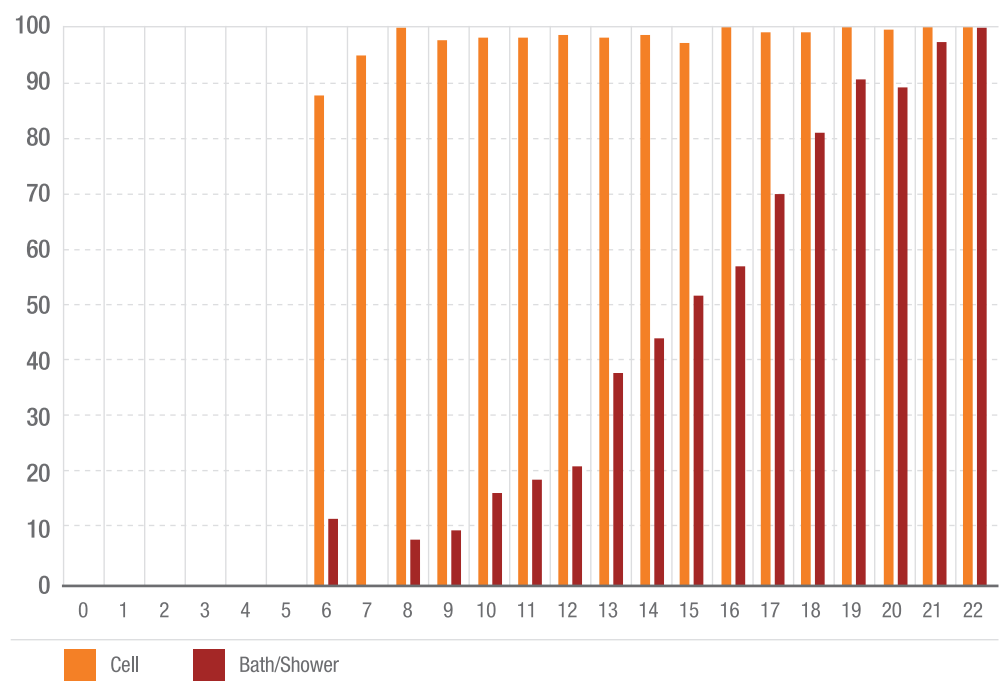


It is possible to identify the items which are most likely to be acquired before others and those which may be associated with higher incomes. This of course varies by household, but it is possible to explore general trends.

The number of cases is too low (<10) between 2 and 5 SPNs possessed to draw any meaningful conclusions and so the results are excluded from the following charts and tables.

Figure 4 compares the percentage possessing a cell phone with the percentage possessing a bath or shower for each number of SPNs possessed (from 6 to 22 SPNs). Cell phone possession is one of the items in all or almost all of the groups. For example, for the group that has 6 SPNs, 88% have a cell phone as one of those SPNs. People with very few SPNs are more likely to have cell phones than a bath or shower in the house. Ability to afford prescribed medicines and regular savings for emergencies are not possessed by any respondents in this group.

Figure 4: Percentage possessing item by number of SPNs possessed: cell phone and bath/shower



Note: Values suppressed for no. of SPNs 2-5 because of low numbers



Table 4 summarises the order in which SPNs are most likely to be acquired. At the point where 8 SPNs are possessed, each SPN is possessed by at least one person. So for the group that has 6 SPNs, over half of the respondents have a cell phone and/or electricity in the house, while for the group that has 8 SPNs, over half of the respondents have one or more of someone to look after you if you are very ill, a fridge, a place of worship in the local area and someone to talk to if you are feeling upset or depressed.

Some SPNs are not possessed by people until they have acquired a number of the other SPNs ('late jumpers'). Examples include police on the streets and a neighbourhood without rubbish in the streets which are possessed by over half of respondents only when 18 of the 22 SPNs are possessed. Being able to afford prescribed medicines and having regular savings for emergencies are amongst the last items to be possessed (the 'last mile SPNs'). These late jumpers and last mile SPNs may help to explain the spike at 21 SPNs seen in Figure 3. Such SPNs may be harder to acquire for certain households and so there is a large group with 21 SPNs that cannot quite achieve all 22 SPNs. The item that is hard to acquire varies by household and is not restricted to the four items identified in Table 4, though these are the most likely. Although households possess the majority of the SPNs, they may not, for example, have sufficient disposable income to be able to save regularly, or to be able to move to a better neighbourhood with visible policing and clean streets.

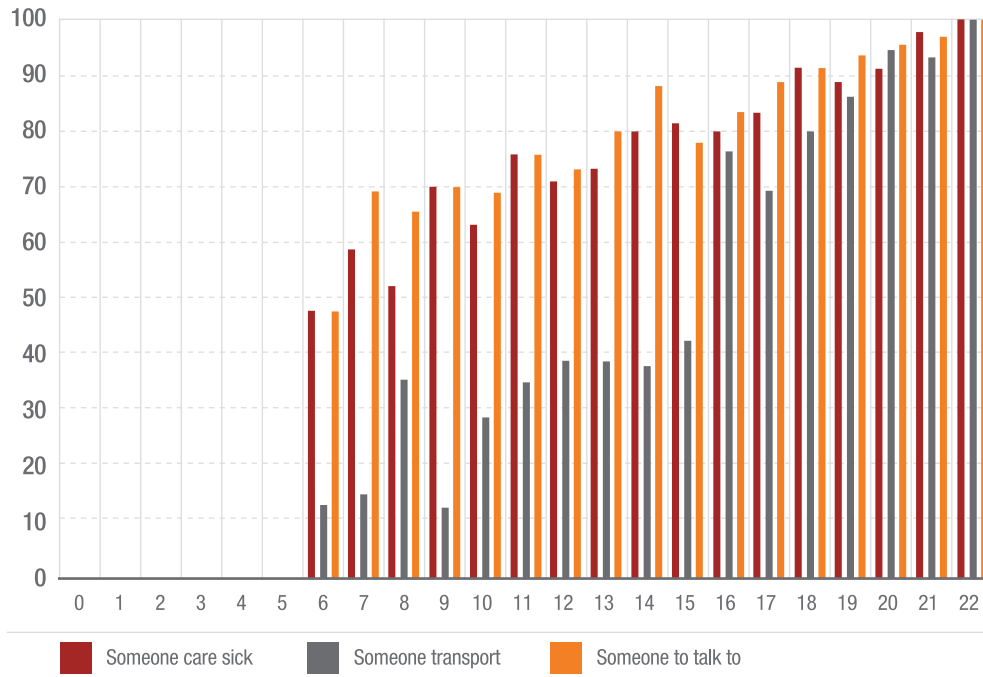
Table 4: Items possessed by over half of respondents in each SPNs group

No. of SPNs	Items possessed by over half of respondents
6	Cell phone, electricity
8	Someone to look after you, fridge, place of workshop, someone to talk to
10	Weather-proof house, suitable clothing, funeral insurance
12	Fence, tarred roads, supermarket
14	Street lighting, flush toilet, burglar bars, able to visit hospital
16	Someone to transport you, bath/shower
18	Police on streets, clean neighbourhood
20	Prescribed medicines, regular savings

At the point where 10 SPNs are possessed, someone to talk to when you are feeling upset or depressed and someone to look after you if you are very ill are possessed by over 60% of respondents in that group (see Figure 5). Possession of these items is largely unrelated to income - they can generally be acquired through social networks and it is not simply a matter of having enough money. However, the other social capital SPN, having someone to transport you in an emergency, is only possessed by over 60% of respondents when a much greater number of SPNs are possessed (around 16 SPNs). This suggests that this SPN does not relate only to social networks, but may sometimes involve monetary resources, either to give more social networking opportunities or to purchase services to provide the social network function.



Figure 5: **Percentage possessing item by number of SPNs possessed: social capital**

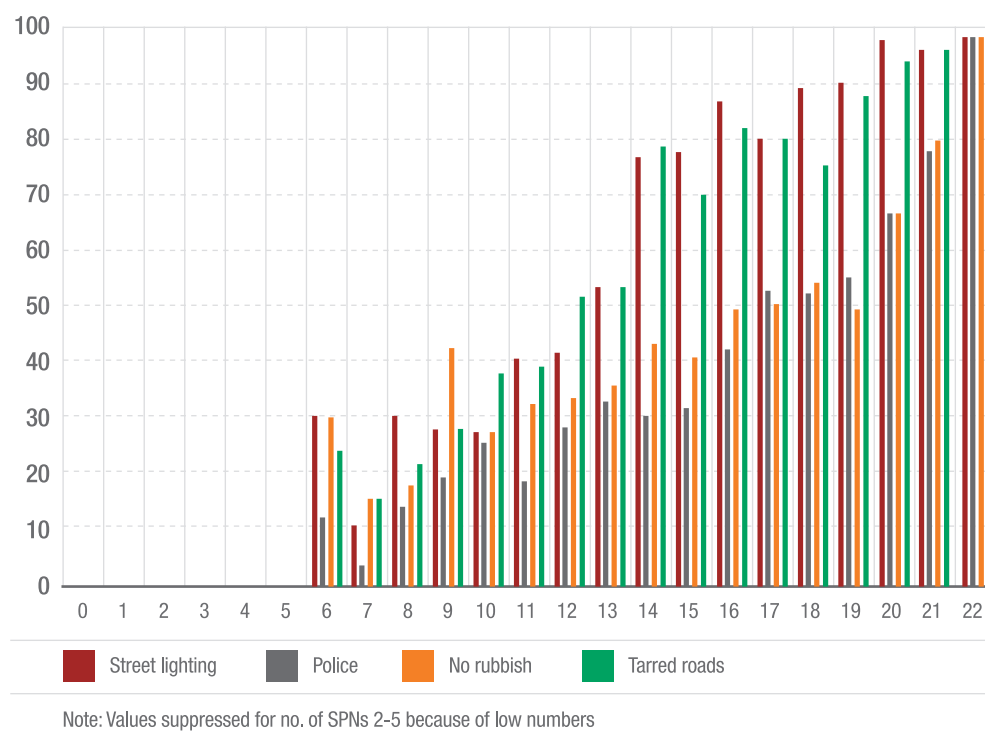


Note: Values suppressed for no. of SPNs 2-5 because of low numbers

Some of the 'late jumpers' can be classified as elements of the social wage, for example police on the streets and a neighbourhood without rubbish. These are two items which saw a decrease in the percentage possessing the item between 2015 and 2022. These can be contrasted with other elements of the social wage such as street lighting and tarred roads which appear to be acquired sooner (see Figure 6).



Figure 6: Percentage possessing item by number of SPNs possessed: social wage



Profile of the group possessing all 22 SPNs

Over half (53%) of those respondents possessing all 22 SPNs live in Gauteng. This is 12% of the total Gauteng cases. An additional 24% of respondents with all 22 SPNs live in the Western Cape, which again is 12% of the total Western Cape cases. The vast majority (89%) of the 22 SPNs group are urban dwellers, which equates to 13% of all the urban respondents. These results can be contrasted with those possessing fewer than 10 SPNs. Over half (53%) are from KwaZulu-Natal, although this is only 21% of the total KwaZulu-Natal respondents. 80% of this group are rural dwellers, which is 26% of the total rural respondents.

Although 57% of the group possessing all 22 SPNs are black African South Africans, this is only 6% of all the black Africans surveyed. A quarter of this group is white. In contrast, 97% of the group possessing fewer than 10 SPNs are black African, which is 13% of all the black African respondents.

The mean household size for the 22 SPNs group is 3.7 people, and 61% of this group have children in the household. For the 10 SPNs or fewer group, the mean household size is 5.2 people and 80% of this group have children in the household.

The median monthly household income for those respondents possessing 22 SPNs is R18,102 and the mean is R28,843. 86% of this group have salaries as the main source of income in the household. This can be contrasted with the respondents possessing 10 or fewer SPNs where the median monthly household income is R2,263 and the mean is R3,929. A reasonably high proportion (42%) have salaries as the main source of household income, but for 38% the main source of income is social grants.



THE DSL MEASURE

In order to calculate per capita household income, from which the DSL amount is calculated, it is necessary to first convert banded incomes to point incomes.

This was done using an established methodology devised by Stats SA, as shown in Table 5.

Table 5: Methodology to convert banded incomes to point incomes

Band	Monthly Income	Adjustment to give point income
1	No income	Not adjusted
2	R1 to R400	Two-thirds of the top cut-off point of this bracket
3	R401 to R800	Midpoint of the class interval
4	R801 to R1,600	Logarithmic mean of the top and bottom of the given interval
5	R1,601 to R3,200	
6	R3,201 to R6,400	
7	R6,401 to R12,800	
8	R12,801 to R25,600	
9	R25,601 to R51,200	
10	R51,201 to R102,400	
11	R102,401 to R204,800	R409,600
12	R204,801 or more	

Source: Stats SA (2012), p51.

Having calculated a point income for each respondent/household, this household income was divided by household size to give a per capita household income. The median and mean per capita household income were then calculated. Table 6 shows the median and mean monthly per capita household income by number of SPNs possessed, and these results are then shown graphically in Figure 7 (median) and Figure 8 (mean).



The DSL measure is the median per capita income of households with all SPNs. The median was chosen for the DSL 2018 as it is less affected by outliers in the data. The DSL for 2022 based on the new survey is R6,034 per capita per month. The figure for April 2022 using the LCS based DSL updated by the CPI is R8,327 per capita per month. The new DSL measure is therefore lower than the equivalent figure derived from the LCS version of the DSL.

However, it is important to bear in mind the differences in methodology in the calculation of the DSL 2022 and the DSL 2018, including the considerably smaller sample size (which included only five provinces) and lack of detailed income information. The set of 34 SPNs in the 2022 survey has been included in the latest IES, which will have greater detail on income, including point incomes, and will be nationally representative. It will be important to recalculate the DSL measure using the data from the IES 2022/23, when it becomes available, and compare this to the measure derived from the 2022 telephonic survey.

Nevertheless, it is worth noting that as elements of the social wage are rolled out, the income associated with a decent standard of living may well fall as progressively more people, not just those with the highest incomes, have the SPNs. It will be important to revisit this notion when the data from the IES 2022/23 has been analysed.

Although the median has previously been used for the DSL measure, the mean may be more reliable in this approach where banded incomes are converted to point incomes, as there are less likely to be outlying values which usually affect the mean. If the mean was used then the DSL measure would be R8,786. However, note the spike at 21 SPNs when using the mean, and in general the curve is not as smooth as the median. For these reasons, the median is retained as the figure for the DSL measure in 2022.

Table 6: Median and mean monthly per capita household income (Rands)

Total SPNs possessed	Median income per capita	Mean income per capita
2	332.2	332.2
3	942.8	942.8
4	282.8	404.1
5	303.0	385.9
6	565.7	1 991.2
7	754.3	1 148.7
8	754.3	1 127.4
9	754.3	887.1
10	864.0	1 172.0
11	1 131.4	1 545.0
12	1 131.4	1 325.5
13	905.1	1 320.2
14	1 131.4	3 223.8
15	1 508.5	1 538.9
16	1 131.4	1 714.4
17	1 131.4	1 958.5
18	1 810.2	4 251.4
19	2 262.8	4 261.4
20	2 801.5	5 252.2
21	4 525.5	9 488.8
22	6 034.0	8 785.9



Figure 7: Median monthly per capita income by number of SPNs possessed

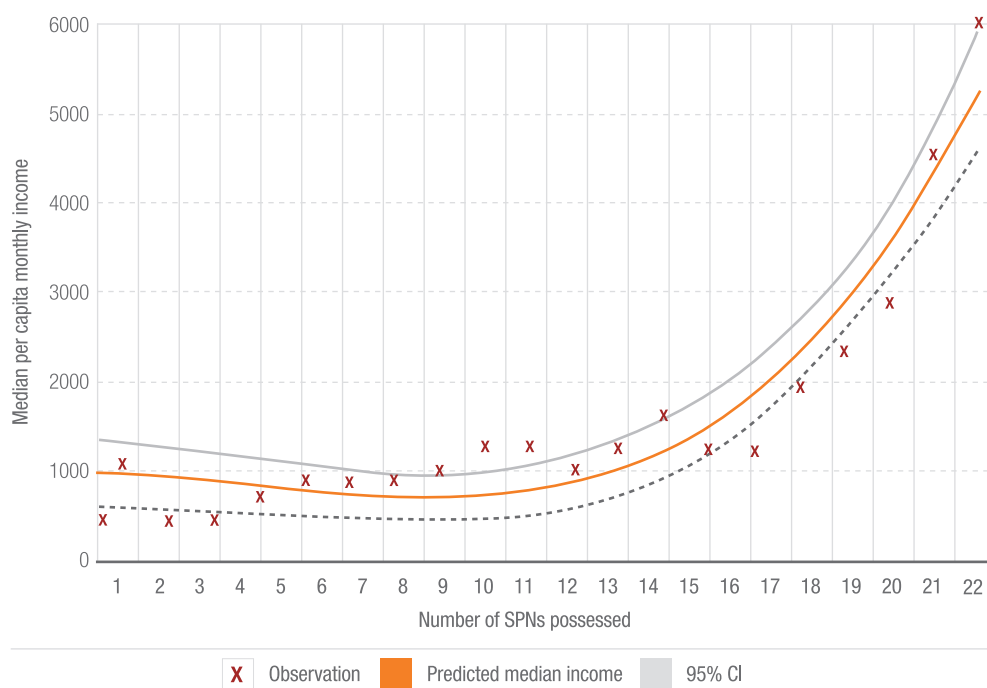
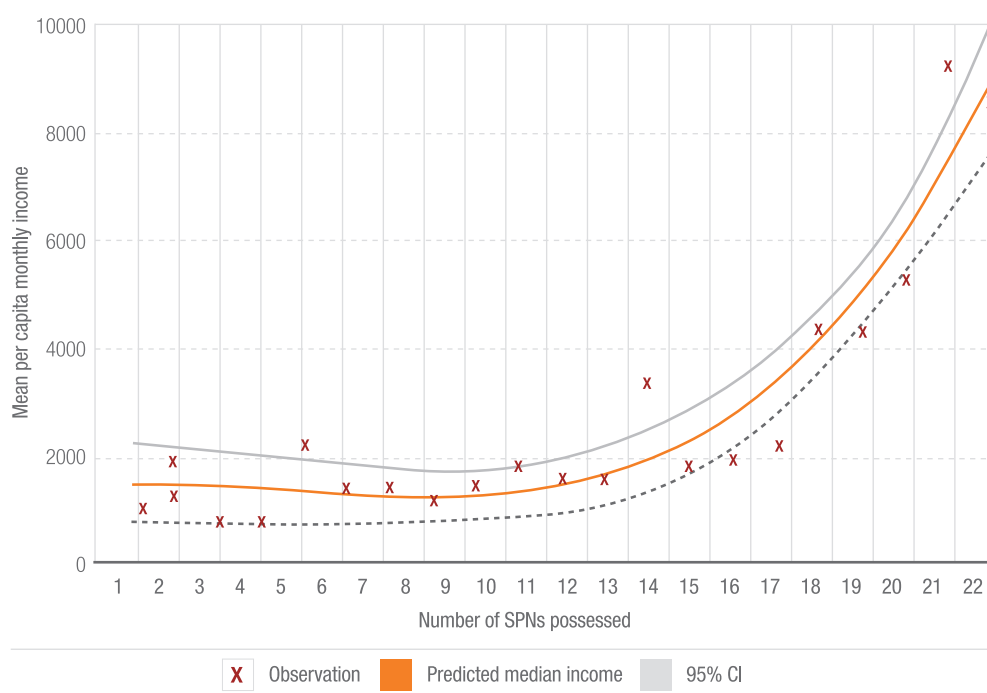


Figure 8: Mean monthly per capita income by number of SPNs possessed





BENCHMARKING THE DSL

DSL 2022 is higher than all of the poverty lines, measuring as it does a decent standard of living (as defined by ordinary people) in contrast to the poverty lines which are based on a concept of a standard of living that is basic and minimalist.

The DSL 2022 can be compared with other thresholds of per capita monthly income (see Table 7). Appropriately, the DSL 2022 is higher than all of the poverty lines, measuring as it does a decent standard of living (as defined by ordinary people) in contrast to the poverty lines which are based on a concept of a standard of living that is basic and minimalist. Indeed, the value of the upper bound poverty line is just 23.5% of the DSL 2022 value. Note also the amounts of the social grants which nestle between the poverty lines. These fall far below the DSL at between 8% and 33% of the DSL 2022 value.

The DSL 2022 is just over double the maximum national minimum wage (NMW), however research by PMBEJD shows that workers paid at the level of the NMW cannot meet even the three core household expenses of transport to get to work and back, prepaid electricity and the cost of a basic basket of nutritional food for a family of four (PMBEJD, 2022). The next highest threshold after the NMW is the CSG single means test amount which is also less than the DSL 2022, however the CSG is paid to children in the lowest income households only. As with the poverty lines, such thresholds are also conceptualised in a different way to the DSL measure. The values of these two measures are respectively 67.6% and 79.5% of the DSL 2022 value.

The DSL 2022 sits between the CSG single means test amount and the PIT income threshold, below which an individual does not have to pay tax. Above this are the DSL 2018 value (uprated to 2022) of R8,327 and the per capita monthly household income values for decile 9 (R8,696) and decile 10 (R18,995) calculated on National Income Dynamics Study (NIDS) wave 5 data (note that the values presented are for February 2021 and so will be higher in September 2022).



Table 7: Thresholds of per capita monthly income

Threshold	Amount (ZAR)	% of DSL 2022 amount	Source	Date
Child support grant	480	8.0	SASSA	Apr 2022
Food poverty line	663	11.0	Stats SA	Apr 2022
Average cost of basic nutritious diet for a child	827	13.7	PMBEJD	Sept 2022
Lower bound poverty line	945	15.7	Stats SA	Apr 2022
Foster child grant	1,070	17.7	SASSA	Apr 2022
Upper bound poverty line	1,417	23.5	Stats SA	Apr 2022
Disability grant	1,980	32.8	SASSA	Apr 2022
Older persons grant	1,980	32.8	SASSA	Apr 2022
Care dependency grant	1,980	32.8	SASSA	Apr 2022
National minimum wage*	4,081	67.6	DEL	Sept 2022
CSG single means test#	4,800	79.5	SASSA	Oct 2022
DSL 22 SPNs (DSL 2022)	6,034	/	SASPRI	Sept 2022
Personal income tax threshold	7,604	126.0	SARS/NT	Mar 2022
DSL 21 SPNs (DSL 2018 [^])	8,327	138.0	SASPRI	Apr 2022
Median household income decile 9**	8,696	144.1	SASPRI	Feb 2021
Median household income decile 10**	18,995	314.8	SASPRI	Feb 2021

Sources:

SASSA: <https://www.sassa.gov.za/newsroom/articles/Pages/sassa-social-grants-increase-for-2022.aspx>

Stats SA: <https://www.statssa.gov.za/publications/P03101/P031012022.pdf>

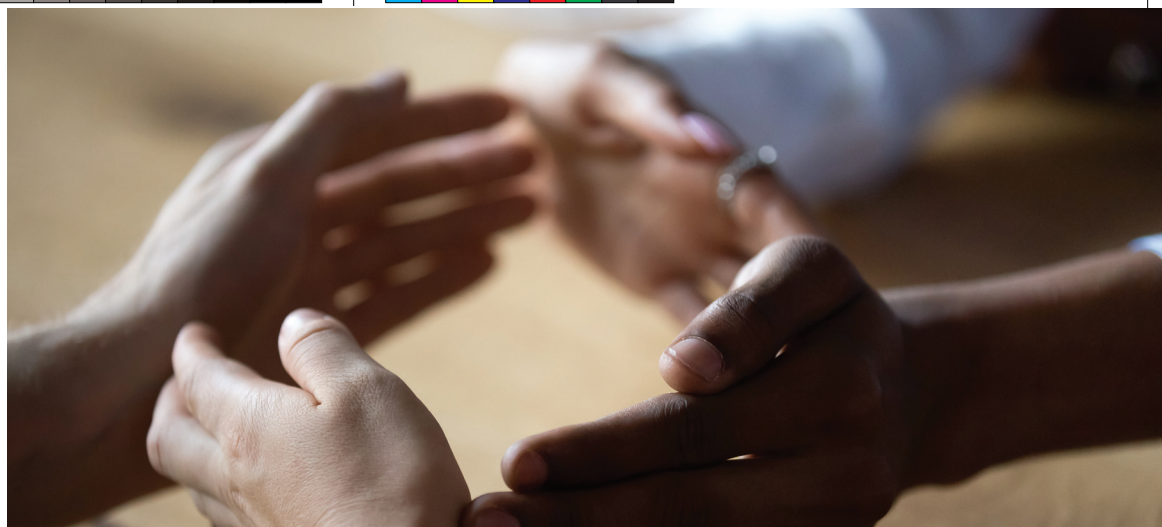
PMBEJD: https://pmbefd.org.za/wp-content/uploads/2022/09/September-2022-Household-Affordability-Index-PMBEJD_29092022.pdf

DEL: <https://www.gov.za/speeches/minister-thulas-nxesi-announces-2022-national-minimum-wage-increases-8-feb-2022-0000>

SARS/NT: <https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

Notes:

- * Monthly amount of NMW calculated as 8 hours per day for 22 days at R23.19 per hour (following PMBEJD methodology for September 2022)
- # The single means test (monthly) is 10 times the amount of the grant
- [^] The DSL amount is calculated on the LCS 2014/15 and updated using the CPI
- ** Calculated on NIDS wave 5 reweighted to reflect labour market changes using 4th quarter 2020 QLFS and demographic changes using 2020 mid-year population estimates, and monetary variables updated to February 2021 using the CPI



CONCLUSION AND FUTURE RESEARCH

This study has made an important contribution to better understanding multiple dimensions of poverty and inequality in South Africa. A number of policy implications can also be drawn out of the findings presented in this report.

The study has shown that levels of possession of the SPNs have, on the whole, increased since 2015. However, the rate of acquisition varies by group and by SPN which has implications for accelerating enjoyment of a decent life for all. The approach of isolating the modes of acquisition has a bearing on the private as well as the public sector as possible partners in this acceleration.

It is interesting to note the fall in the value of the DSL measure between the 2022 DSL and the CPI uprated DSL value of the 2018 DSL measure. Further work with the forthcoming IES will help to corroborate and unpack the dynamics behind this fall.

Although the SPNs were refreshed in 2021 through a telephonic survey, this took the original set of items, drawn up following focus group work in 2006, and asked respondents to the survey to say which were essential. There may be merit in repeating the focus group stage to see if this sheds new light on what is required for a decent standard of living in South Africa today.

The disparities in income levels between those who possess all of the SPNs and those who possess only a small number underscore the profound inequalities in South African society. These inequalities can be seen spatially and between population groups.

The relationship between poverty in households and the presence of children requires greater reflection and analysis of policy implications. It is clear that child-specific anti-poverty policies do more than just provide a child benefit as resources are shared at a household and sometimes intra-household level.

Grants are known to be an important source of income in poorer households, but there is a shortfall between grant levels and individual and household well-being. There are important policy decisions to be considered around how to improve income levels through grants, including a decent universal basic income grant as comprehensively traversed in recent studies and costings by the Basic Income Support studies commissioned by the Minister of Social Development under the chair of Professor Alex van den Heever.

Where a country has such critical levels of structural unemployment and exclusion from mainstream economic activity, the scale of interventions needs to meet and beat the size of the crisis.

The obligation on the state to deliver the right to a life of dignity contained in the Constitution of South Africa in a country marked by gross inequality is a heavy one. It is hoped that this study not only provides a clear picture of what constitutes that decent standard of living and which groups currently enjoy that standard, but also shows some ways in which this is being done with success and other ways in which multiple partners can collaborate in order to do better.



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Frye, I., Wright, G., Elsley, T., Noble, M., Barnes, H., Jele, J., Masekesa, F., Zembe-Mkabile, W. and McLennan, D. (2018) *Towards a Decent Life for all - Decent Standard of Living Index (Final Report)*, SPII, LRS and SASPRI.

PMBEJD (2022) *Household Affordability Index September 2022*, Pietermaritzburg: Pietermaritzburg Economic Justice and Dignity Group

Stats SA (2012) *Census 2011 Metadata*, Report No. 03-01-47, Pretoria: Statistics South Africa.

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Wright, G. (2011) *Socially Perceived Necessities in South Africa: Patterns of Possession*, CASASP Working Paper 10, Oxford: Centre for the Analysis of South African Social Policy, University of Oxford.



APPENDIX 1

Table A1: Comparison of survey sample with MYPE for 2022

Demographic characteristics	% of cases in survey	% in MYPE 2022
Population group		
Black	80.6	78.6
White	8.0	9.3
Coloured	8.9	9.1
Indian	2.6	3.0
Gender		
Male	49.4	48.0
Female	50.6	52.0
Age		
18 - 24	17.7	16.6
25 - 59	69.5	69.6
60+	12.8	13.8
Province		
Gauteng	35.0	38.5
Kwa-Zulu Natal	26.8	24.3
Western Cape	16.3	17.1
Eastern Cape	14.8	13.7
Free State	7.2	6.5

Notes:

MYPE for 18-24 year olds calculated as 40% of the 15-19 age group + 20-24 year olds. The denominator for the race, gender and age MYPE calculations is total adults aged 18 and over. The denominator for the province MYPE calculation is total adults aged 18 and over in the five provinces.



Table A2: Possession in 2022 survey and LCS 2014/15 and definition in 2021 survey

Item	Percentage possessing item 2022	Percentage possessing item 2015	Rank in 2021 definition survey	% defining item as essential in 2021 survey
A cell phone	98.33	94.27 (+1.12**)	11	82.96
Mains electricity in the house	96.06	89.35	1	92.42
A fridge	93.20	74.18 (+ 3.91**)	5	90.05
A place of worship (church/ mosque / synagogue) in the local area	91.03	92.83	24	71.48
Television / TV	89.56	83.89 (+2.97**)	29	63.58
Clothing sufficient to keep you warm and dry	88.87	79.42	6	89.05
Paid employment	86.11	68.71	9	83.52
Someone to talk to if you are feeling upset or depressed	85.22	84.25	27	69.24
A house that is strong enough to stand up to the weather, e.g. rain, winds, etc.	82.66	70.09	3	90.95
Someone to look after you if you are very ill	82.17	82.64	2	91.54
A sofa / lounge suite	81.97	46.60 (+ 5.68**)	31	54.63
Separate bedrooms for adults and children*	78.16	69.71	14	81.55
Street lighting	74.09	55.46	4	90.55
Having an adult from the household at home at all times when children under ten from the household are at home*	72.88	79.92	16	79.91
Tarred roads close to the house	72.81	58.83	22	74.78
Ability to pay or contribute to funerals/ funeral insurance/ burial society	72.51	71.13	20	77.86
A flush toilet in the house	72.51	41.32	8	83.62
A large supermarket in the local area	72.12	52.86	25	71.34
A fence or wall around the property	71.92	70.60	17	79.78



Item	Percentage possessing item 2022	Percentage possessing item 2015	Rank in 2021 definition survey	% defining item as essential in 2021 survey
Ability to visit friends and family in hospital and other institutions	69.95	87.65	21	75.52
A radio	69.46	44.94 (+ 10.24**)	33	52.71
Meat or fish or vegetarian equivalent every day	67.59	62.86	32	54.49
Burglar bars in the house	66.90	46.49	19	79.21
For parents or other carers to be able to buy complete school uniform for children without hardship*	65.37	83.70	7	84.06
Someone to transport you in a vehicle if you needed to travel in an emergency	63.84	63.74	18	79.38
A bath or shower in the house	61.38	41.16	26	70.45
Someone to lend you money in an emergency	55.86	60.22	30	55.29
A neighbourhood without rubbish/ refuse/ garbage in the streets	52.61	57.28	15	80.35
Somewhere for children to play safely outside of the house*	50.35	36.46	10	83.06
Having police on the streets in the local area	48.37	53.69	13	81.69
A neighbourhood without smoke or smog in the air	48.18	56.84	28	63.68
People who are sick are able to afford all medicines prescribed by their doctor	45.42	***	12	82.96
Regular savings for emergencies	36.95	32.41	23	73.98
A lock-up garage for vehicles	30.54	Not a SPN	34	51.07



Notes:

Items shaded in grey are those defined as essential by two thirds or more of respondents to the 2021 survey, while those not shaded are the additional items defined as essential by 50% or more of respondents. The table is sorted in descending order of the percentage possessing the item in 2022.

- * For child items, the denominator is households containing children.
- ** In the LCS 2015, some items had a choice of response with regard to possession of either 'owns' or 'does not own but has access' which are reflected in the table with the 'owns' percentage reported and the additional 'does not own but has access' percentage given in brackets.
- *** This question was not asked in the correct way in the LCS 2014/15 and so could not be included in the DSL 2018 measure. Paid employment is having at least one adult in the household in employment, rather than paid employment for people of working age, which is the original SPN.

