*Free*FACTS

As economy creaks poverty grows

Many South Africans are feeling the pinch as the economy continues to take strain.

This not simply anecdotal but reflected in statistics around economic growth and simply how much money is in the country's economy.

The fact of the matter is that South Africans are getting poorer.

In fact, in real terms, South Africans are now poorer than they were in 2007. In that year, real per capita GDP (in constant 2015 rands) was R77 299. In 2021 average per capita income in South Africa was R74 907. Per capita incomes had grown steadily for most of the post-apartheid period but this trend began to reverse in 2013 and 2014, and South Africans began to get poorer in real terms.

This edition of *Free*FACTS looks at trends in GDP growth and per capita incomes, as well as poverty levels. For example, it shows poverty levels in our major cities – about a quarter of those living in South Africa's eight biggest municipalities are classified as poor.

In addition, it presents the Quality of Life Index (QOLI), a measure devised by the IRR's sister organisation, the Centre for Risk Analysis. It uses a number of indicators to determine the overall quality of life of people or households. Unsurprisingly there are a number of regional and racial differences.

Unfortunately, the trend where South Africans get poorer, and large numbers of people have a quality of life that is lacking, is unlikely to change in the near future.

The South African government continues to follow policy which retard growth and condemn millions of South Africans to a life of penury and want.

In addition, the government continues to seek to push policies which will hamper growth even more, such as expropriation without compensation (EWC) or the National Health Insurance (NHI) scheme. Both these policies will give the government even greater power. EWC will lead to the effective nationalisation of all land in the country while NHI will mean the same for private healthcare and medical care.

South Africa is at a precipice, let's hope the country doesn't jump.

— **Marius Roodt**

JOIN US

The IRR is an advocacy group that fights for your right to make decisions about your life, family and business, free from unnecessary government, political, and bureaucratic interference. FreeFACTS publishes evidence that communities are better off when individuals are free to make decisions about how they want to live, be educated, work, access healthcare, think, speak, own property, and protect their communities. If you agree with the issues we stand for, welcome to the team. There are millions of people just like you who are tired of South African politicians, activists, and commentators attempting to rein in your freedom to decide. Take control and make sure your voice is heard by becoming a friend of the IRR.

SMS YOUR NAME TO 32823
SMS costs R1.
Ts and Cs apply.

Poverty

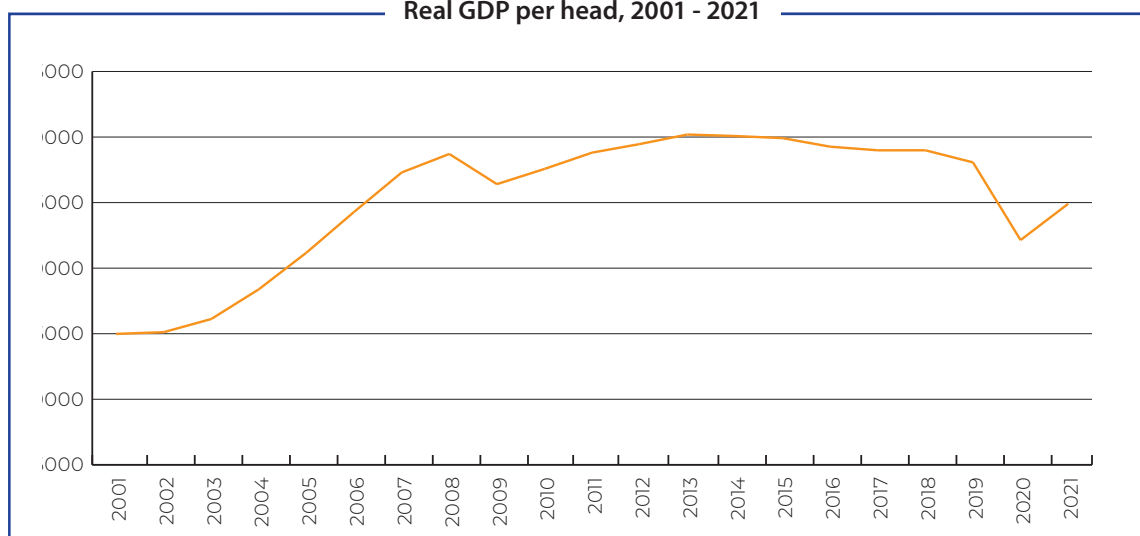| Real growth and income levels and trends[a], 1961-2021					
Year	Real total GDP Rbn	Year-on-year change	Real GDP per head[b] R	Year-on-year change	Real disposable income per capita of households[c] R	Year-on-year change
2001	2 903	2,7%	64 984	0,4%	39 324	0,6%
2002	3 010	3,7%	65 118	0,2%	39 374	0,1%
2003	3 099	2,9%	66 121	1,5%	39 859	1,2%
2004	3 240	4,6%	68 391	3,4%	41 789	4,8%
2005	3 411	5,3%	71 186	4,1%	43 714	4,6%
2006	3 603	5,6%	74 292	4,4%	46 528	6,4%
2007	3 796	5,4%	77 299	4,0%	48 694	4,7%
2008	3 917	3,2%	78 709	1,8%	49 163	1,0%
2009	3 857	-1,5%	76 407	-2,9%	47 457	-3,5%
2010	3 974	3,0%	77 568	1,5%	48 289	1,8%
2011	4 100	3,2%	78 811	1,6%	49 365	2,2%
2012	4 198	2,4%	79 464	0,8%	49 895	1,1%
2013	4 302	2,5%	80 191	0,9%	49 800	-0,2%
2014	4 363	1,4%	80 077	-0,1%	49 622	-0,4%
2015	4 421	1,3%	79 917	-0,2%	50 353	1,5%
2016	4 450	0,7%	79 264	-0,8%	50 008	-0,7%
2017	4 502	1,2%	78 988	-0,3%	50 527	1,0%
2018	4 569	1,5%	78 990	0,0%	51 035	1,0%
2019	4 574	0,1%	78 068	-1,2%	50 755	-0,5%
2020	4 280	-6,4%	72 142	-7,6%	47 830	-5,8%
2021	4 490	4,9%	74 907	3,8%	49 995	4,5%

Source: SARB, time series data, www.resbank.co.za, accessed 28 November 2022
a At constant 2015 prices.
b GDP per head is total GDP divided by the total population.
c Real disposable income per capita is total personal income minus direct personal tax plus subsidies.

Real GDP per head, 2001 - 2021

Poverty

Inflation-adjusted national poverty lines[a], 2006-23			
	UBPL[b]	LBPL[c]	FPL[d]
Year		—R—	
2006	575	370	219
2008	682	447	274
2009	709	456	318
2010	733	466	320
2011	779	501	335
2012	834	541	366
2013	883	572	386
2014	942	613	417
2015	992	647	441
2016	1 077	714	498
2017	1 138	758	531
2018	1 183	785	547
2019	1 227	810	561
2020	1 268	840	585
2021	1 335	890	624
2022	1 417	945	663
2023	1 558	1 058	760
2006-23	**171,0%**	**185,9%**	**247,0%**

Source: Stats SA, *National Poverty Lines, 28 August 2023,* Table 2, p4
a Namely the Food Poverty Line (FPL), the Lower-Bound Poverty Line (LBPL), and the Upper-Bound Poverty Line (UBPL). These lines capture different degrees of poverty and allow the country to measure and monitor poverty at different levels.
b Upper-Bound Poverty Line — Individuals falling under the UBPL can purchase both adequate food and non-food items.
c Lower-Bound Poverty Line — Individuals falling under the LBPL do not have command over enough resources to purchase or consume both adequate food and non-food items and are therefore forced to sacrifice food to obtain essential non-food items.
d Food Poverty Line — The FPL is the rand value below which individuals are unable to purchase or consume enough food to supply them with the minimum per-capita-per-day energy requirement for adequate health. The LBPL and the UBPL are derived using the FPL as a base, but also include a non-food component.

Households classified as poor[a] by metropolitan municipality, 2022			
Metropolitan area	Total households	Poor households	As a proportion of total households
Buffalo City	253 000	80 000	31,6%
Cape Town	1 359 000	205 000	15,1%
Ekurhuleni	1 414 000	437 000	30,9%
eThekwini	1 276 000	314 000	24,6%
Johannesburg	2 197 000	643 000	29,3%
Mangaung	298 000	112 000	37,6%
Nelson Mandela Bay	370 000	84 000	22,7%
Tshwane	1 286 000	352 000	27,4%
All metros	**8 451 000**	**2 228 000**	**26,4%**

Source: Stats SA, *Selected Development Indicators, Metros 2022,* Statistical release P03-18-20, 17 August 2023, Table 2.6, p11
a Those with a monthly expenditure below R2 500.

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Poverty

Proportion of population classified as poor, by metro municipality, 2022
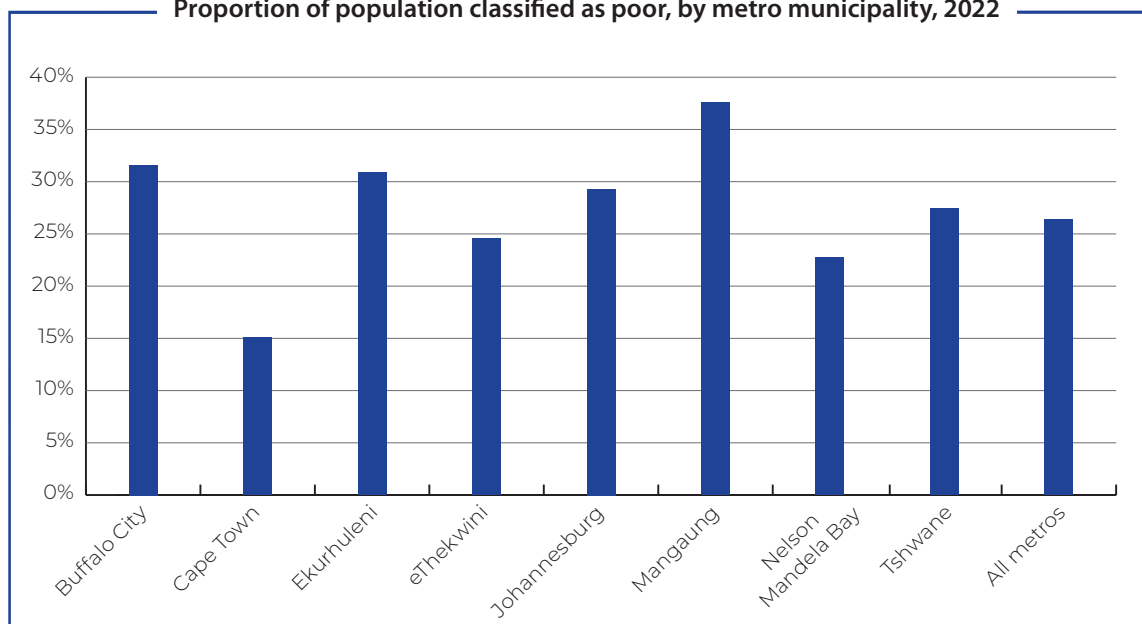
Households that have fallen behind bills and card payments[a], 2020-23					
Category	**2020**	**2021**	**2022**	**2023**	**Change 2020-23**
Fallen behind on store card payments	30,0%	28,0%	25,0%	25,0%	-16,7%
Fallen behind on any household bills	37,0%	34,0%	35,0%	31,0%	-16,2%
Fallen behind on credit card payments	28,0%	27,0%	26,0%	25,0%	-10,7%
Fallen behind on rent or home loan payments	26,0%	19,0%	18,0%	18,0%	-30,8%

Source: Old Mutual, *Savings and Investment Monitor 2023,* July 2023, p29
a The annual monitor is a survey of 1 518 working people in South Africa's major metropolitan areas. It examines levels of savings and investment, as well as people's attitudes to their finances in general. Respondents were asked about household rather than personal income.

Households with an education policy/ saving for education[a], 2015-23	
Year	**Proportion**
2015	36,0%
2016	31,0%
2017	32,0%
2018	30,0%
2019	28,0%
2020	26,0%
2021	23,0%
2022	26,0%
2023	24,0%
2015-23	**-33,3%**

Source: Old Mutual, *Savings and Investment Monitor 2023,* July 2023, p37
a The annual monitor is a survey of 1 518 working people in
South Africa's major metropolitan areas. It examines levels of savings
and investment, as well as people's attitudes to their finances in general.
Respondents were asked about household rather than personal income.

QOLI Index

The QOLI Index was developed by the IRR's sister organisation, the Centre for Risk Analysis, and provides an overview of the quality of life in South Africa. The index is based on ten weighted indicators that are indicative of the quality of life of a person or household. Each indicator has been translated into a score of between 0 and 10. A score closer to 0 would indicate poor performance on the indicator in question. Inversely, a score closer to 10 would indicate better performance.

Quality of Life Index (QOLI)											
Province	Matric pass rate	Unemployment (expanded definition)	Spending R10 000 or more per month	Dwellings owned but not yet paid off to bank	Access to piped water	Electricity for cooking	Access to a basic sanitation facility	Refuse removal	Medical aid coverage	Murder rate	Index score 1
Eastern Cape	7,3	4,8	1,2	0,3	7,0	7,8	9,0	4,2	1,1	3,4	4,6
Free State	8,6	6,0	1,4	0,3	9,4	8,8	8,7	7,2	1,5	6,6	5,9
Gauteng	8,3	5,9	2,3	1,2	9,8	8,5	9,2	8,4	2,2	6,5	6,2
KwaZulu-Natal	7,7	5,1	1,5	0,6	8,4	8,7	8,3	5,1	1,1	4,4	5,1
Limpopo	6,7	5,2	0,8	0,2	6,9	6,4	6,3	2,4	0,9	8,3	4,4
Mpumalanga	7,4	5,2	1,2	0,3	8,7	7,6	6,4	4,2	1,0	7,5	5,0
North West	7,8	5,1	1,4	0,3	8,5	8,3	7,3	5,1	1,4	7,5	5,3
Northern Cape	7,1	5,4	1,8	0,5	9,2	8,0	8,4	6,2	1,6	7,2	5,5
Western Cape	8,1	6,9	3,8	1,6	9,9	7,9	9,6	8,9	2,5	4,2	6,3
South Africa	**7,6**	**5,6**	**1,9**	**0,8**	**8,9**	**8,1**	**8,4**	**6,3**	**1,6**	**5,8**	**5,5**
Race	Matric pass rate	Unemployment (expanded definition)	Spending R10 000 or more per month	Dwellings owned but not yet paid off to bank	Access to piped water	Electricity for cooking	Access to a basic sanitation facility	Refuse removal	Medical aid coverage	Murder rate	Index score 1[a] / Index score 2[a]
Black	7,9	5,2	1,2	0,4	8,7	8,2	8,1	5,6	1,0	(5.8)	5,1 / 5,2
Coloured	8,1	6,4	3,0	1,4	9,9	8,2	9,6	9,2	1,8	(5.8)	6,4 / 6,3
Indian/Asian	9,0	7,4	6,1	2,5	9,8	8,4	9,9	9,5	4,9	(5.8)	7,5 / 7,3
White	9,9	8,9	7,0	2,9	9,4	7,5	9,9	9,0	7,2	(5.8)	8,0 / 7,8
South Africa	**8,0**	**5,6**	**1,9**	**0,8**	**8,9**	**8,1**	**8,4**	**6,3**	**1,6**	**(5.8)**	**5,6 / 5,5**

a Statistics for the murder rate by race were unavailable. Therefore, Index Score 1 by race serves as an aggregate for all the indicators, excluding the murder rate. Index Score 2 by race serves as an aggregate for all of the indicators, with the national murder rate used for each population group. There is not much of a difference between the final index scores, whether or not the murder rate is included.