Gendered poverty in South Africa

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1. **Are there gender differences in income and poverty?**

2. **What explains these differences?**

3. **How well do we measure gender differences in income?**

1. Gender differences in economic status?

Table 1. Average per capita household income among women and men, 2008

	Women	Men	Women/Men (%)
All	1852* (90.5)	2338 (109.9)	79.2%
African	918* (30.2)	1470 (78.0)	62.5%
Non-African	4944 (352.8)	5120 (352.7)	96.6%

Source: National Income Dynamics Study (NIDS) 2008
Note: The data are weighted. Adults are aged 16 years and older. Standard errors are in parentheses. Household resources are measured in terms of average per capita household income. *Poverty rates between men and women are significantly different at the 95% confidence level.

Table 2. Headcount poverty rates among women and men, 2008

	Women	Men
Upper bound: R779 (2011 prices)		
% poor (all)	52.9*	41.8
% poor (Africans)	63.9*	50.3
% poor (non-Africans)	16.6	14.6
Lower bound: R510 (2011 prices)		
% poor (all)	36.7*	27.1
% poor (Africans)	45.3*	33.2
% poor (non-Africans)	8.4	7.2

Source: NIDS 2008

Note: The data are weighted. Adults are aged 16 years and older. Household resources are measured in terms of average per capita household income. *Poverty rates between men and women are significantly different at the 95% confidence level.

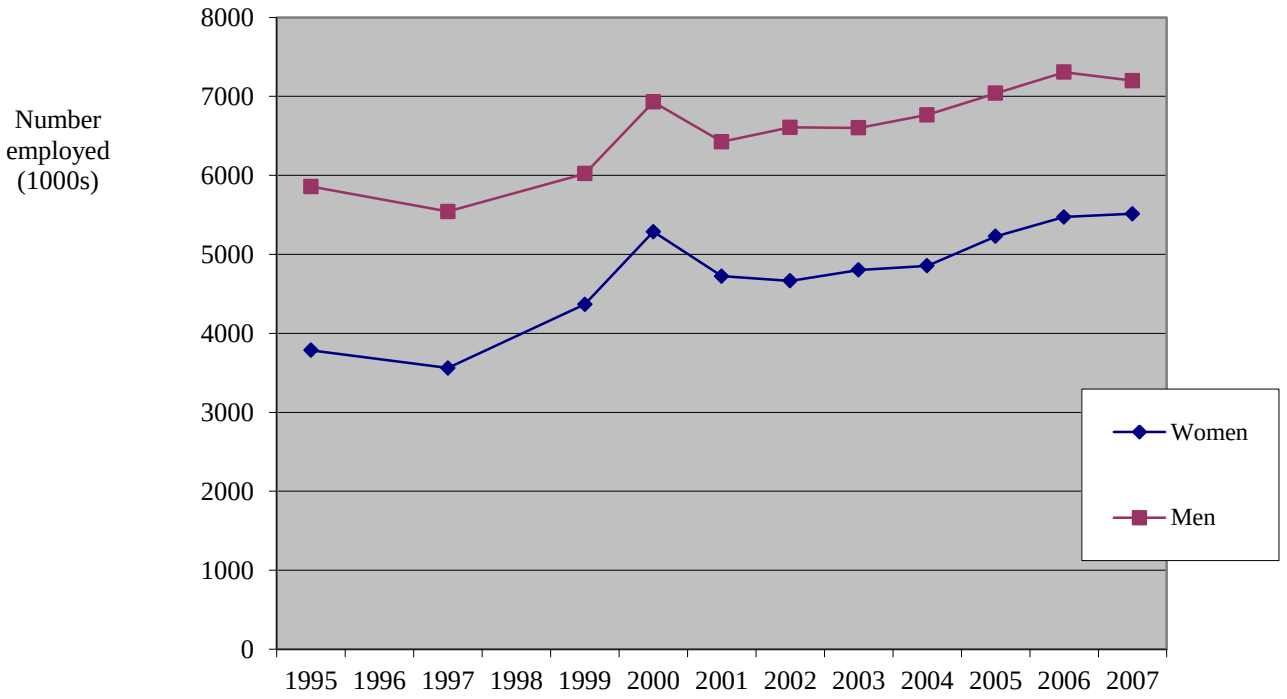
2. What explains these gender differences in income?

i) Economic (labour market) factors

ii) Demographic factors

i) Economic factors

Figure 1. Employment by gender, 1995 to 2007



Source: October Household Surveys (1995, 1997, 1999); Labour Force Surveys (September 2004 – 2007).
Note: The data are weighted.

Figure 2a. Searching unemployment by gender: 1995 to 2007

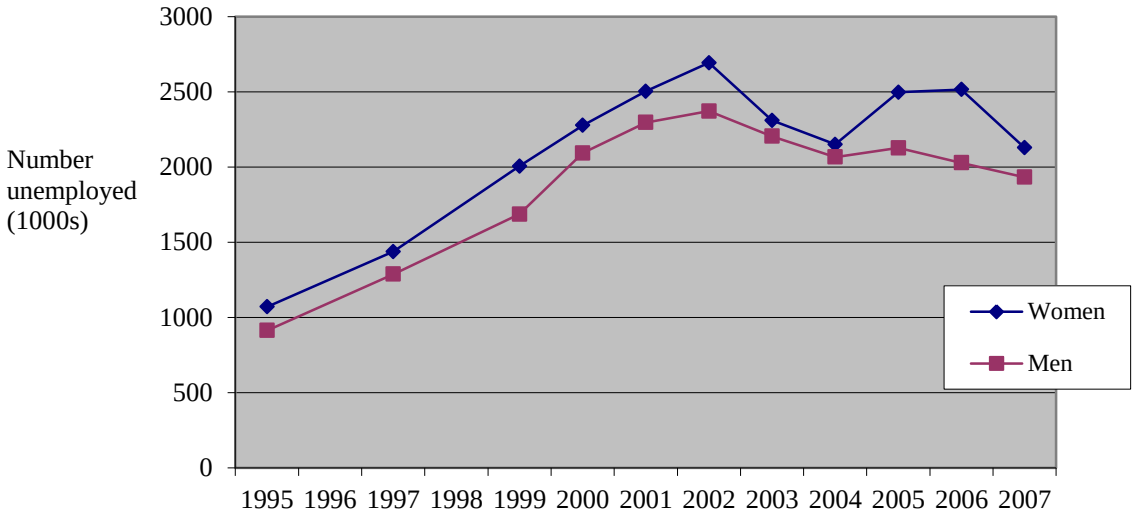


Figure 2b. Searching plus non-searching unemployment by gender: 1995 to 2007

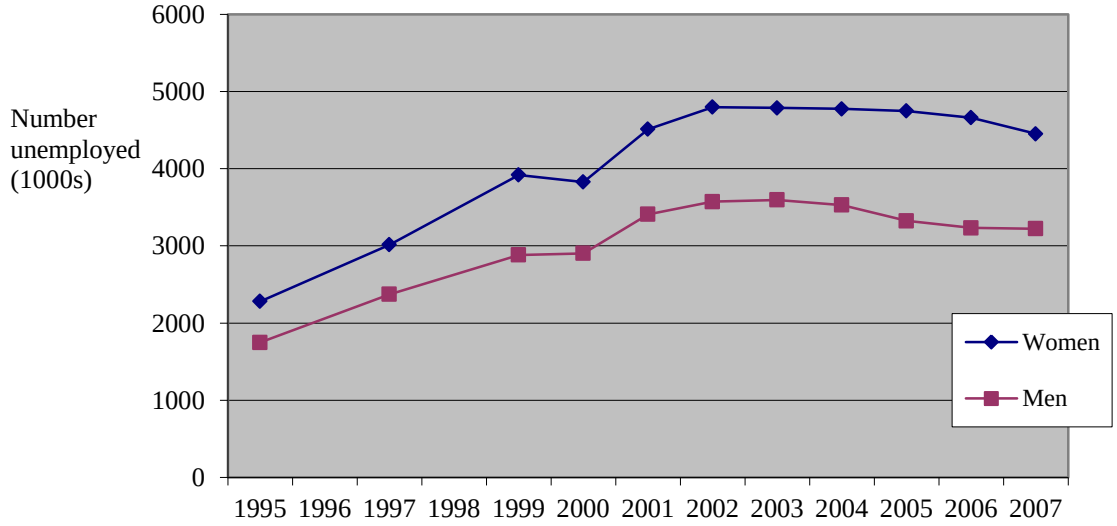


Figure 3a. Hourly earnings among employed African youth (20-35 years), 2008

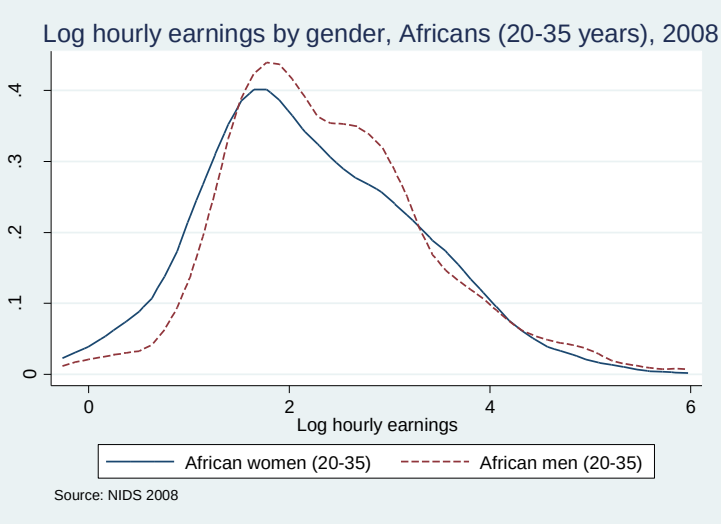


Figure 3b. Hourly earnings among employed African non-youth (36-55 years), 2008

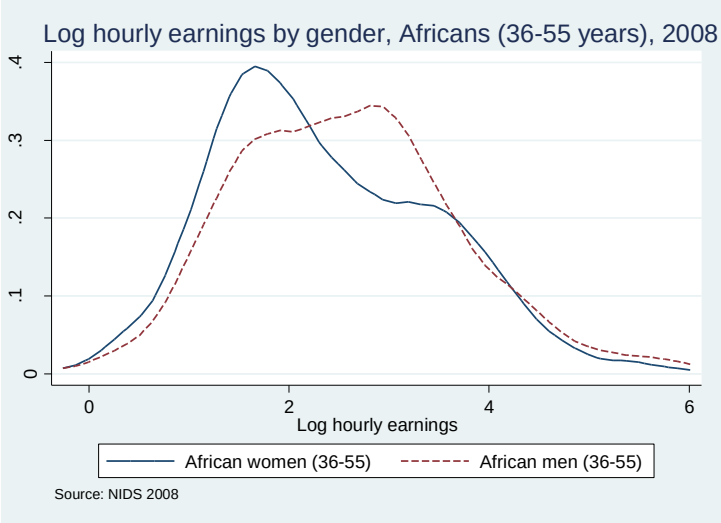
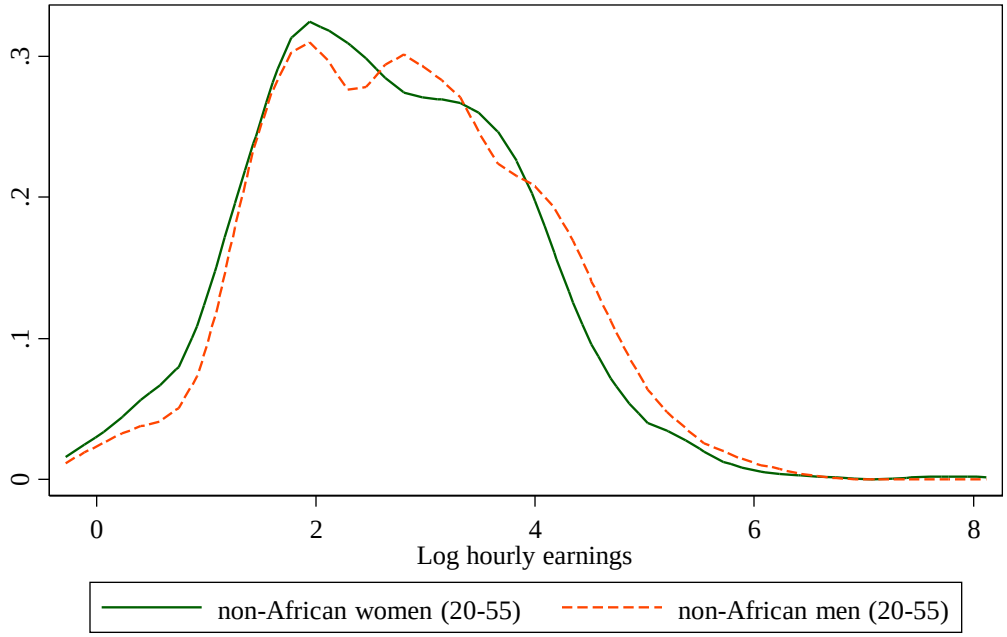


Figure 4. Hourly earnings by gender, non-Africans (20-55 years), 2008



Source: NIDS 2008

Although women comprise a smaller share of the employed, they form a larger share of the employed in the lowest earnings deciles:

In 1995, 54 per cent of all the employed in the lowest earnings decile were women.

By 2007, this had increased to 63 per cent.

ii) Demographic factors

- If men and women co-reside, then we will not pick up these gender differences in the labour market when we measure average per capita household income - because we assume “sharing” in the household.

- But if rates of co-residence are low, then women’s lower income will not be offset by men’s higher income → gender differences in average per capita household income.

Table 3. Co-residence of adult men and women, 2008

	African		Non-African	
	Women	Men	Women	Men
Percentage living without other adult men	30.31 (0.74)	50.07 (0.97)	17.59 (1.66)	55.27 (2.07)
Percentage living without other adult women	37.76 (0.82)	28.63 (0.98)	51.91 (2.00)	11.38 (1.58)
N	7768	5818	2267	1929

Source: NIDS 2008.

Note: The data are weighted. Standard errors are in parentheses.

Table 4. Household size and composition of adult men and women, 2008

	African		Non-African	
	Women	Men	Women	Men
Household size				
Average household size	5.34* (0.057)	4.54 (0.065)	3.93 (0.081)	3.78 (0.077)
Average number of adults (> 15 years)	3.31* (0.034)	3.14 (0.040)	2.92 (0.052)	2.95 (0.056)
Average number of young children (0-10 years)	1.42* (0.023)	0.93 (0.023)	0.67 (0.038)	0.54 (0.036)
Average number of older children (11 - 15 years)	0.61* (0.013)	0.46 (0.013)	0.33 (0.021)	0.29 (0.021)
Percentage living with:				
No other adults (> 15 years)	11.60* (0.57)	19.01 (0.87)	8.48 (1.08)	8.54 (1.48)
No young children (0-10 years)	32.60* (0.80)	52.91 (0.95)	60.14 (1.90)	65.95 (1.92)
No older children (11 - 15 years)	57.12* (0.80)	67.06 (0.85)	74.27 (1.66)	76.51 (1.73)
No children (0-15 years)	22.96* (0.76)	43.81 (0.99)	47.97 (2.01)	53.21 (2.11)
Share of children in household (number of children/household size)	0.322* (.004)	0.211 (0.004)	0.198 (0.008)	0.167 (0.008)
N	7768	5818	2267	1929

Source: NIDS 2008.

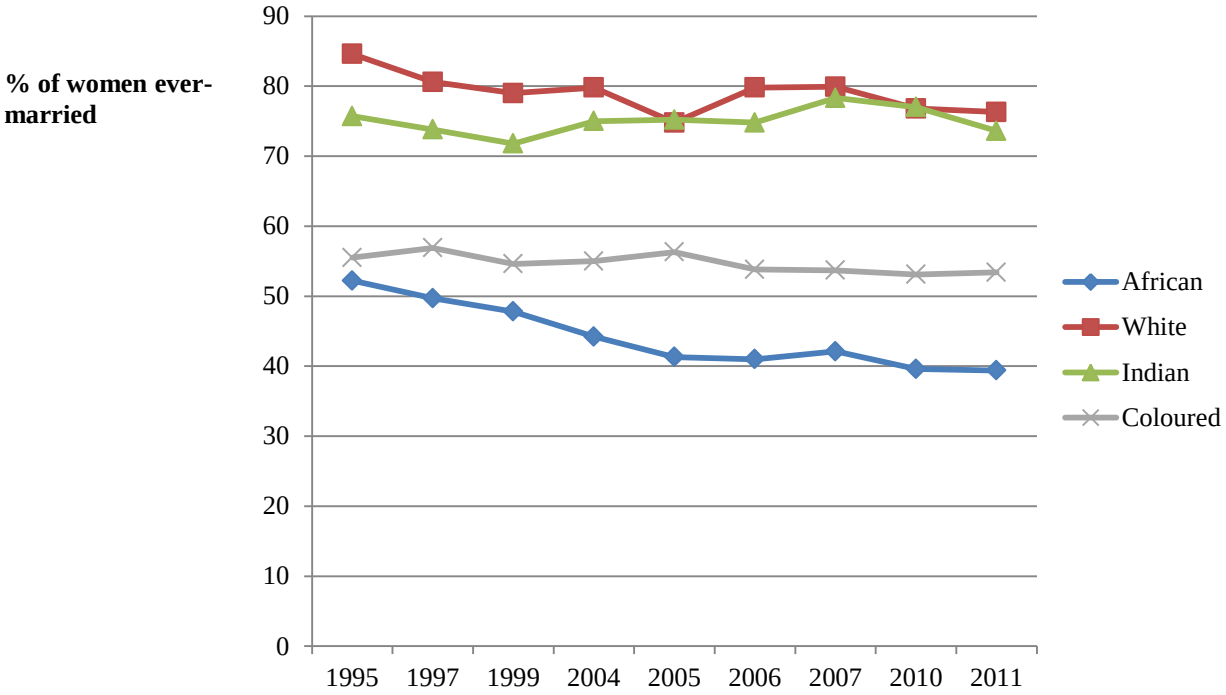
Note: The data are weighted. Standard errors are in parentheses.

Differences in household size and composition among African men and women are explained by:

1) Continuing patterns of temporary labour migration (continues to be male dominated, although female labour migration has increased)

2) Low rates of union formation + high rates of non-marital childbirth.

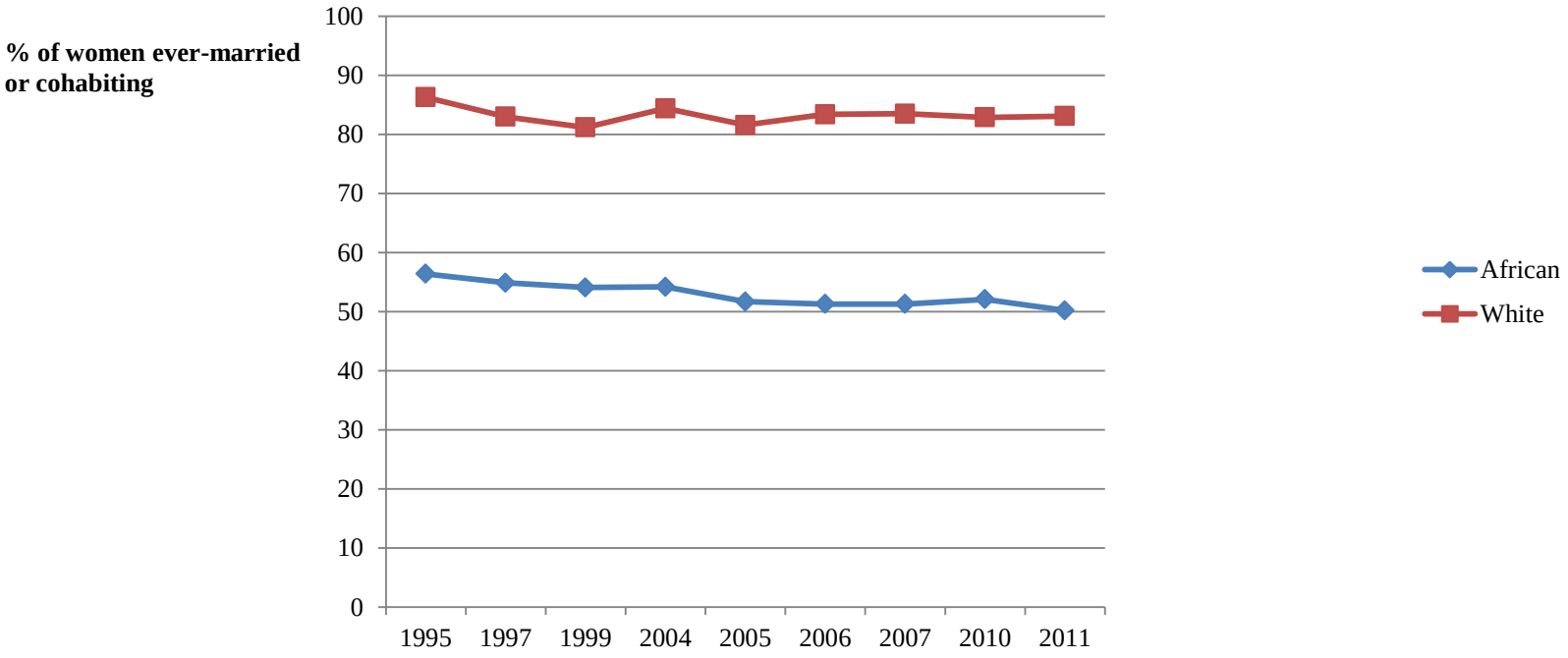
Figure 5. Percentage of women (18 years and older) ever-married



Source: October Household Surveys (1995, 1997, 1999); Labour Force Surveys (September 2004 – 2007); General Household Survey 2010; Population Census 2011.

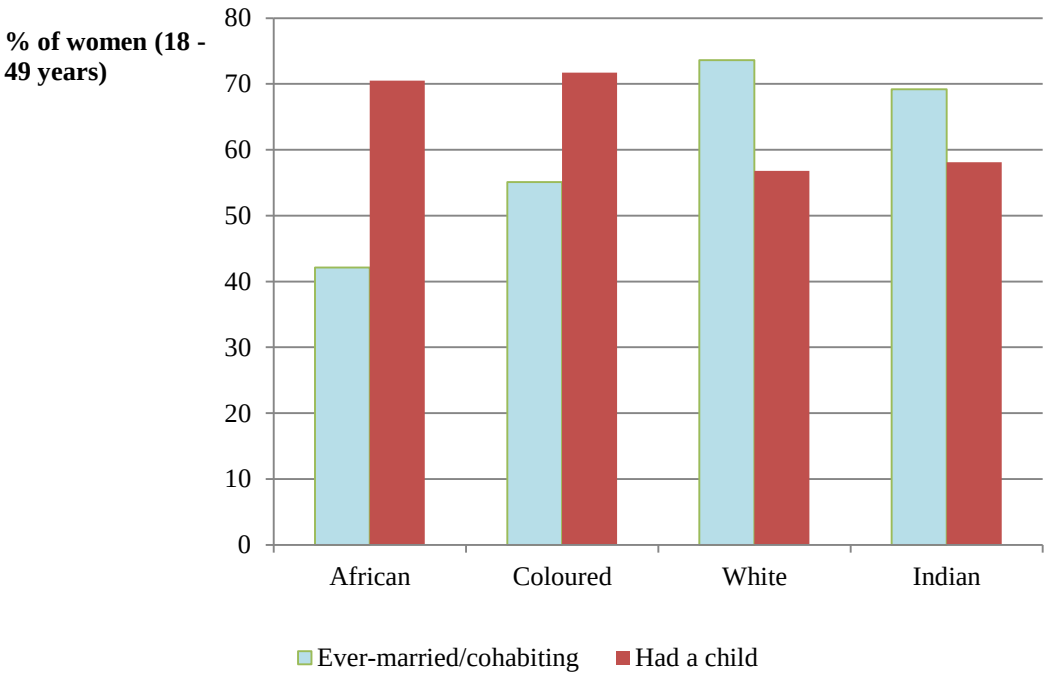
Note: The data are weighted. Ever-married includes currently married, widowed and divorced/separated.

Figure 6. Percentage of women (18 years and older), ever-married or cohabiting



Source: October Household Surveys (1995, 1997, 1999); Labour Force Surveys (September 2004 – 2007); General Household Survey 2010; Population Census 2011.
Note: The data are weighted. Ever-married includes currently married, widowed and divorced/separated.

Figure 7. Union formation and childbirth, 2011



Source: 2011 Population Census

Table 5. Living arrangements of African children, 2008

Percentage of African children living in households where:	**Mother resident**	**Mother alive, but not in the household**	**Mother dead**	**Mother's status unknown**	
Children 7 – 14	66	20	10	4	(100)
Children 0 – 6	77	18	3	3	(100)
Percentage of African children living in households where:	**Father resident**	**Father alive, but not in the household**	**Father dead**	**Father's status unknown**	
Children 7 – 14	31	44	18	7	(100)
Children 0 – 6	31	58	7	4	(100)

Source: NIDS 2008.
Note: The data are weighted.

Table 6. African children who have contact with, and receive support from an "absent" parent, 2008

	Absent mother	Absent father
Parent sees child:		
daily	0.043	0.054
several times a week	0.141	0.124
several times a month	0.394*	0.246
several times a year	0.342*	0.262
never	0.080*	0.314
Proportion with parents who provide financial support	0.496*	0.377

Source: NIDS 2008.

Note: The data are weighted. *Proportions of children with an absent mother or absent father are significantly different at the 95% confidence level. An absent parent is not co-resident with his/her child and is not considered to be a member of the child's household.

Table 7. Co-residence of fathers of African children (14 years and younger) and poverty status, South Africa 2008

	Percentage of children	Percentage of children who are poor
Father is resident in household	30.9	64.7
Father is alive but not resident	50.4	83.6
Father is dead	13.4	85.0
Father's status is unknown	5.7	74.8
Total	100.0	--

Source: NIDS (2008).
Note: The data are weighted.

What about social grants – haven't they reduced the gender gap in poverty?

Social grants have made a significant difference, and narrowed the gender gap in poverty incidence, only in the case of extreme poverty (Posel & Rogan 2012).

3. How well do we measure gender differences in poverty?

- Measure individual resources using average per capita household income (or expenditure).

Problems:

i) Intra-household allocation of resources

ii) No adjustments for possible economies of scale in the household, or for the lower consumption needs of children compared to adults.

Equivalence scale adjustments

- Adjust for low child costs and for economies of scale:

Individual adjusted income = **total household income/(A + αC)$^{\Theta}$**

where:

A is the number of adults

C is the number of children

α is the relative cost of a child, and

Θ is the economies of scale parameter.

Implications of equivalence scale adjustments for gender differences in income

- African women live in larger households, and in households which include more children than African men.

→ Equivalence scale adjustments have a larger effect on women's income than men's income.

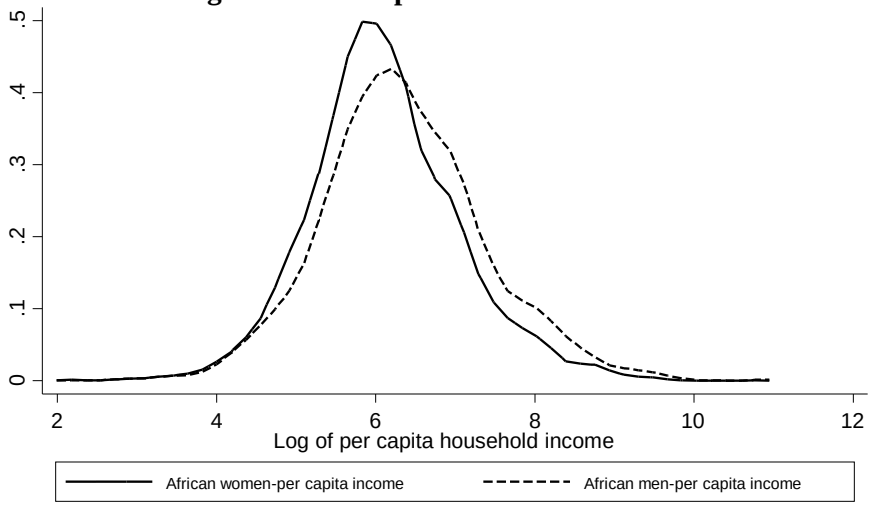
→ Equivalence scale adjustments narrow the gender gap in income (although the gap remains sizeable and significant).

Table 8. Average income (Rands) and the gender gap among African adults, 2008

Adjustment	Women's income	Men's income	Women/ Men	Gender gap in income
Per capita scale	918* (30.2)	1470 (78.0)	62.5	37.5
AES1: $\alpha_1 = 0.5$, $\alpha_2 = 0.9$, $\Theta = 1$	1015* (31.6)	1538 (78.1)	66.0	34.0
AES2: $\alpha = 0.5$, $\Theta = 1$	1057* (33.6)	1573 (78.8)	67.2	32.8
AES3: $\alpha_1 = 0.5$, $\alpha_2 = 0.9$, $\Theta = 0.9$	1141* (35.2)	1665 (80.8)	68.6	31.4
AES4: $\alpha = 0.5$, $\Theta = 0.9$	1184* (37.2)	1701 (81.5)	69.6	30.4
AES5: $\alpha_1 = 0.5$, $\alpha_2 = 0.9$, $\Theta = 0.7$	1458* (44.2)	1981 (88.1)	73.6	26.4
AES6: $\alpha = 0.5$, $\Theta = 0.7$	1502* (46.4)	2019 (89.0)	76.4	25.6

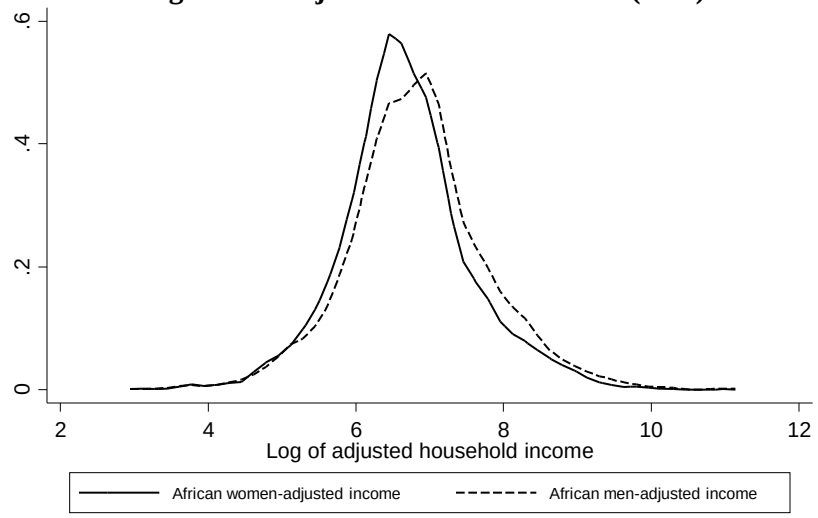
Source: NIDS 2008
Note: The data are weighted. Standard errors are in parentheses. * Means between men and women are significantly different at the 95% confidence level.

Figure 8a. Per capita household income



Source: NIDS 2008

Figure 8b. Adjusted household income (AE5)



Source: NIDS 2008

→ Inequality among Africans falls with scale adjustments

Table 9. Income inequality among Africans, 2008

	Gini coefficient
Per capita scale	0.602 (0.010)
AES1: $\alpha_1 = 0.5$, $\alpha_2 = 0.9$, $\Theta = 1$	0.583 (0.000)
AES2: $\alpha = 0.5$, $\Theta = 1$	0.578 (0.001)
AES3: $\alpha_1 = 0.5$, $\alpha_2 = 0.9$, $\Theta = 0.9$	0.571 (0.009)
AES4: $\alpha = 0.5$, $\Theta = 0.9$	0.567 (0.008)
AES5: $\alpha_1 = 0.5$, $\alpha_2 = 0.9$, $\Theta = 0.7$	0.551* (0.008)
AES6: $\alpha = 0.5$, $\Theta = 0.7$	0.548* (0.008)

Source: NIDS 2008
Note: The data are weighted. Standard errors are in parentheses. *Coefficients are significantly different from the per capita coefficient at the 95% confidence level.