Multiple Deprivation and Income Poverty at Small Area Level in South Africa in 2011

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1. Introduction

This report presents a diagnostic analysis of poverty and multiple deprivation at small area level across South Africa utilising both the South African Index of Multiple Deprivation 2011 at ward level (SAIMD 2011) and an analysis of income poverty at ward level.

The SAIMD 2011 is a weighted aggregate of four domains or dimensions of deprivation. These are: material deprivation, employment deprivation, education deprivation and living environment deprivation.

Additionally, income poverty utilising two commonly used income poverty lines are also analysed at ward level across South Africa.
2. Background

Both the SAIMD 2011 at ward level and the income poverty measures at ward level have been developed by SASPRI to facilitate sub municipality analysis of multiple deprivation and its component domains.

The SAIMD 2011 is the latest in a series of indices of multiple deprivation for South and Southern Africa that have been developed using census data to describe multiple deprivation at sub municipality level. The original South African study for 2001 was at ward level (Noble et al., 2006a and 2006b; Noble et al., 2009b) and was followed by a series of further refinements to develop a very small area or datazone level index for 2001 (Noble et al., 2009a; Noble and Wright, 2012), a series of child focused indices (Barnes et al., 2007; Barnes et al., 2009; Wright et al., 2009a) and updates to 2007 at municipality level (Wright and Noble, 2009; Wright et al., 2009b) together with a modelled SAIMD at datazone level for 2007 (Noble et al., 2010a). Indices have also been produced for Namibia (Noble et al., 2011). The ward and datazone level indices 2001 have been used in many ways by national and provincial government including targeting areas for the take-up of child support grant, prioritising wards for specific antipoverty interventions and in the case of the City of Johannesburg, as part of the mechanism to target its indigency policy. Specific reports utilising the indices have been developed for various provinces and also for the city of Johannesburg.
3. The Importance of ward level measures of multiple deprivation

Spatial patterns of poverty and multiple deprivation are not random. The spatial distribution reflects the outcome of a number of dynamic social processes and factors which include migration, availability and cost of living space, community preferences, current and historical policies. The latter is particularly important in South Africa where the spatial legacy of apartheid means that poor South Africans are concentrated spatially and tend to reside either in formerly racially segregated ‘townships’ around cities created or confirmed as a result of the Group Areas Acts 1950-1966, or in former homelands created in colonial times and further promulgated under the Bantu Authorities Act 1951 (Christopher, 1994). Within the urban townships the very poorest people tend to live in informal settlements.

By documenting this spatial distribution at small area level policymakers can effectively target resources and policies (Smith, 1999; Kleinman, 1999; Smith et al., 2001) to complement mainstream services. This process can be further enhanced by analysing not only the overall index of multiple deprivation but also the component domains and so obtain a more nuanced picture.

What is multiple deprivation and how does it differ from poverty?

The definition of multiple deprivation adopted in this report follows that given by Townsend in 1987 who defined people as deprived if ‘they lack the types of diet, clothing, housing, household facilities and fuel and environmental, educational, working and social conditions, activities and facilities which are customary’ (Townsend, 1987: pp131 and 140). “Poverty” on the other hand, can be thought of as referring to the lack of resources which lead to deprivation. This is again consistent with Townsend who argued that people are poor if ‘they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged or approved in the societies to which they belong’ (Townsend, 1979: 31). ‘Deprivation’ thus refers to people’s unmet needs, whereas ‘poverty’ refers to the lack of resources required to meet those needs. The model of multiple deprivation employed in this report flows from these definitions. Multiple deprivation is conceptualised as an accumulation of single dimensions or domains of deprivation (Townsend, 1987).
In this report, in addition to an analysis of multiple deprivation, a complementary analysis of income poverty at small area level using two commonly used poverty lines is also undertaken (see Section 8).

Dimensions of deprivation

As has been articulated elsewhere (e.g. Noble et al., 2006a) the model of multiple deprivation which underpins the SAIMD 2011 requires the separate measurement of different dimensions (or domains) of deprivation, such as employment deprivation and education deprivation, which are then combined with appropriate weighting into a single measure of multiple deprivation. Each of the individual domains of deprivation are, however, also expressed as a domain specific index of deprivation. This is important as they may be used individually for specific policy purposes where an overall index of multiple deprivation might be less useful.
4. Domains and indicators in the SAIMD 2011

An introduction to the domains and indicators

The model of multiple deprivation

As we have indicated each domain of deprivation measures a specific type of deprivation. In some domains these are measured at the household level (for example, in the material deprivation domain), whereas in other domains these are measured at the individual level (for example, in the education domain). People (or households) may be counted as deprived in one or more of the domains, depending on the number of types of deprivation that are experienced. However, within each domain, there is no double counting. The overall SAIMD 2011 combines each of these individual domains of deprivation using equal weights.

Domains

The selection of the domains of deprivation for the SAIMD 2011 was strongly influenced by the domains selected in respect of the SAIMD 2001 in all its various configurations (in particular Noble et al., 2006a and Noble et al., 2009a). In the SAIMD 2001 there were five domains of deprivation identified that were constructed using the 2001 Census: Income and Material Deprivation, Employment Deprivation, Health Deprivation, Education Deprivation, and Living Environment Deprivation. Because the SAIMD 2011 has been constructed from published data, it was not possible to construct a health deprivation domain.

Furthermore, due to the nature of the Census data extraction tool (Superstar) it was not possible to construct a combined income and material deprivation domain following the same methodology as the SAIMD 2001. However, the material deprivation domain that was constructed for the SAIMD 2011 is, arguably, more consistent with the original Townsend definition of deprivation in that it does not mix deprivations with the lack of resources (i.e. income) which result in those deprivations. However, as has been indicated, two separate income poverty indices are also presented in Section 8.
The actual domains comprising the SAIMD 2011 are as follows:

1) material deprivation
2) employment deprivation
3) education deprivation
4) living environment deprivation

It is important to emphasise the integrity of the domains of deprivation. So, for example, the employment domain reflects exclusion from the world of work and not the lack of income such exclusion generates. Clearly the dimensions of deprivation are related and it is quite possible for the same person or household to be represented in more than one domain. So for example, employment deprivation is usually associated with low income and low income can lead to high levels of material deprivation. Similarly, education deprivation can result in employment deprivation. Nevertheless, the aggregate effects of different deprivations are also of interest and so an aggregate index of multiple deprivation is also generated.

It should also be emphasised that in any particular domain the proportion of people or households experiencing that particular deprivation in an area is measured, meaning that the ward domain score is an easy to interpret rate.

Data source

The SAIMD 2011 is derived entirely from the 2011 Census of Population carried out in October 2011. The data are derived from Statistics South Africa’s data published through its Superstar tool.

Using this tool data were extracted for each domain index. The number of indicators per domain are indicated in the description of the domains that follows. Denominators were obtained in the same extraction process and relate to the numerator within each domain.

Selection of indicators

The selection of indicators for each domain were informed, wherever possible, by an earlier piece of research which sought the views of all South Africans on the necessities for an adequate standard of living (Noble et al., 2007; Wright et al., 2007; Wright et al., 2010; Wright and Noble, 2013). The domains themselves were selected because they
were used in the SAIMD 2001 which, in turn, were selected after a stakeholder consultation process (Noble et al., 2006a and 2006b).

As was the case for the SAIMD 2001, we endeavoured to include within each domain ‘a parsimonious (i.e. economical in number) collection of indicators that comprehensively captured the deprivation for each domain, but within the constraints of the data available from the Census’ (Noble et al., 2006a). Three further criteria were kept in mind when selecting indicators:

- They should be ‘domain specific’ and appropriate for the purpose (as direct as possible measures of that form of deprivation);
- They should measure major features of that deprivation (not conditions just experienced by a very small number of people or areas);
- They should be statistically robust.
5. Domains and component indicators

Material Deprivation Domain

*Purpose of domain*

The purpose of this domain is to capture the proportion of households in a ward experiencing material deprivation.

*Background*

There are many items that could, theoretically, comprise a material deprivation domain. Given that the purpose of the SAIMD 2011 is to produce a small area (in this case electoral ward) measure, we are constrained by items that are measured within the 2011 Census.

However, notwithstanding the data constraint, we still need a rationale for selecting indicators from the 2011 Census. One of the most attractive rationales is to consider what South Africans regard as necessities for an acceptable standard of living. Following an international tradition of what is sometimes referred to as consensual poverty approaches, a study was undertaken in South Africa to derive a list of items considered to be “necessary” for an adequate standard of living (e.g. Wright *et al.*, 2010). The results of this study have informed the selection of indicators for both this domain and the living environment domain.

*Indicators*

- Number of households who do not have access to a refrigerator; or
- Number of people living in a household with neither a landline nor a cell phone; or
- Number of people living in a household with neither a television nor a radio.

Ownership of a refrigerator is regarded as a basic asset for safe storage of food. Ownership of a radio or television represents an important mode of communication with the outside world and a means of accessing information critical to one’s life and livelihood. A cell phone (or a landline) is regarded as important at a number of levels – for those of working age and out of the labour market it is essential for accessing jobs, for older people it is a lifeline to relatives and social and health care services.
Combining the indicators

A simple proportion of households experiencing one or more of the deprivations was calculated (i.e. the number of households living in a household without a refrigerator, and/or with neither a television nor a radio, and/or with neither a cell phone nor a landline, divided by the total number of households).

Employment Deprivation Domain

Purpose of domain

This domain measures employment deprivation in terms of the expanded definition of unemployment for people of working age.

Background

In addition to the ‘official’ definition of the unemployed (which accords with the definition promulgated by the International Labour Organisation) we also consider those who are ‘discouraged workers’ as it is recommended that they should be included (e.g. Lloyd and Leibbrandt, 2013). This generates a measure that is sometimes regarded as the ‘expanded’ definition of unemployment.

Indicators

- Number of people aged 15 to 64 inclusive who are unemployed (using official definition); plus
- Number of people aged 15 to 64 inclusive who are discouraged workers.
Statistics South Africa (StatsSA) gives the official definition of the unemployed as ‘those people aged 15–65\(^1\) years who:

- did not work during the 7 days prior to 10 October;
- want to work and are available to start work within a week of the interview; and
- have taken active steps to look for work or to start some form of self-employment in the 7 days prior to 10 October. (Statistics South Africa, 2012: 78).

‘Active steps to seek work’ are defined by StatsSA as: ‘Steps such as registration at unemployment exchange, applications to employers, checking at work sites or farms, placing or answering newspaper advertisements, seeking assistance of friends, etc.’ (Statistics South Africa, 2012: 6).

Discouraged Workers are those who

- did not work during the 7 days prior to 10 October;
- want to work and are available to start work within a week of the interview;
- Have not taken ‘active steps to seek work’
- Gave the reason for not working (P27) as ‘no jobs available’

*Combining the indicators*

By combining the numbers of ‘officially’ unemployed with the ‘discouraged workers’ we obtain the numerator for this domain which accords with the expanded definition of unemployment.

The denominator is the labour force (sometimes referred to as the economically active population). This comprises the employed, the official unemployed, and the discouraged workers aged 15 – 64 inclusive.

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\(^1\) Although StatsSA used the definition 15-65 in the metadata, the actual data only has values for ages 15 to 64 inclusive and this latter age range is therefore used in the index.
Education Deprivation Domain

*Purpose of domain*

The purpose of this domain is to capture the extent of deprivation in terms of educational qualifications in a local area for adults aged 18 to 64 years inclusive.

*Background*

It is well documented that the level of education an individual has achieved determines both current income and savings potential and future opportunities for individuals and their dependents (e.g. Bhorat *et al.*, 2004).

Unfortunately there are no Census questions on educational attainment per se but there is information on the highest level of education reached and this will be a good proxy for educational attainment. Many of the disparities in educational achievement throughout the adult population are direct legacies of the apartheid education system and, in particular the Bantu Education Act 1953. Thus it is to be expected that these disparities in education will be spatially contoured.

*Indicator*

- Number of 18-64 year olds (inclusive) with no schooling at secondary level or above.

The denominator is the total number of 18-64 year olds (inclusive).

Living Environment Deprivation Domain

*Purpose of domain*

The purpose of this domain is to identify deprivation relating to the poor quality of the living environment.

*Background*

This domain considers different aspects of the immediate environment in which people live that impact on the quality of their day-to-day life. This covers issues which might be
regarded as service delivery deprivations. This domain is measured at the individual level.

**Indicators**

- Number of people without an adequate water supply; or
- Number of people without access to an adequate toilet; or
- Number of people without use of electricity for lighting; or
- Number of people living in a house that is a shack

We define adequate water supply here as ‘piped water inside dwelling’, ‘piped water inside the yard’, ‘piped water on community stand within 200 metres’. We define adequate toilet here as ‘flush toilet connected to the sewerage’, ‘flush toilet connected to septic tank’, and ‘ventilated pit latrine’.

**Combining the indicators**

A simple proportion of households experiencing one or more of the deprivations was calculated (i.e. the number of households without an adequate water supply and/or without adequate toilet facilities and/or without electricity for lighting and/or a house that is a shack, divided by the total households).

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2 These were selected as standards commonly used by government.
6. Methodology

Use of the 2011 Census

The indicators and the denominators for the domains were extracted from the ward tables from 2011 Census using the Superstar tool. Data were exported in CSV format and imported into STATA for further analysis.

Creating domain indices

*Dealing with small numbers*

Each of the domain indices were created as simple rates. However, in line with good practice, statistical procedures were undertaken to deal with small numbers in the denominator in some wards. Such small numbers can result in relatively large standard errors which need to be addressed. It used to be argued that because Census data are, by definition, not samples but counts of the whole population then issues of standard error and procedures to deal with them are not relevant. However, current statistical practice is that a census is simply a sample from a ‘super population’ and it is entirely appropriate to take steps to measure and deal with standard error.

The technique employed is known as ‘empirical Bayes shrinkage estimation’ (Noble *et al.*, 2006c). Basically, the technique identifies wards with large standard errors and moves them towards a more reliable score – in this case the local municipality mean to an extent which depends on the size of the standard error and the level of heterogeneity in the local municipality in which the ward is located. If the scores are robust then movement is negligible. Sensitivity testing undertaken by the research team indicates that shrinkage estimation has very little impact on the overall domain scores. Nevertheless, it has been applied to accord with good practice.

*Combining indicators into domain indices*

For each domain of deprivation the aim is to obtain a single summary measure (or Domain Index) whose interpretation is straightforward in that it is expressed in meaningful units (e.g. proportions of people or of households experiencing that form of deprivation). The advantage of simple proportions is twofold – first they are easy to understand and second it is not necessary to combine the indicators in a domain using
complex statistical procedures such as factor analysis. There is no double counting of individuals within a domain. An individual may be captured in more than one domain but this is not double counting: it is simply identifying that they are deprived in more than one way.

Four domain indices were created which were then combined into the overall SAIMD 2011.

Combining the four domain indices into the SAIMD 2011

**Standardisation and transformation**

Each domain index is treated as a distinct measure of deprivation which can be combined into an overall index of multiple deprivation – the SAIMD. In order to combine the domain indices it is important to first standardise them and then transform them to a common distribution. Standardisation is important as it puts each domain onto the same metric and gives each domain the same range. The standardisation is achieved by simply ranking the domain score. Thus for each domain the standardised score ranges from 1 to 4,277 (the number of wards in South Africa in 2011).

The ranked domain scores are then transformed in such a way that they can be combined with explicit weights and in such a way that deprivation on one domain is not cancelled out by lack of deprivation on another domain – in other words so that the deprivations are cumulative. The distribution selected for transformation is the exponential distribution.

The exponential distribution was selected for the following reasons. First, it transforms each domain so that they each have a common distribution, the same range and identical maximum/minimum value, so that when the domains are combined into a single index of multiple deprivation the (equal) weighting is explicit; that is there is no implicit weighting as a result of the underlying distributions of the data. Second, it is not affected by the size of the ward’s population. Third, it effectively spreads out the part of the distribution in which there is most interest; that is the most deprived wards in each domain.
Each transformed domain has a range of 0 to 100, with a score of 100 for the most deprived ward. The exponential transformation that was selected for transforming the domains in the ward level SAIMD stretches out the most deprived 25% of wards in the country. The chosen exponential distribution is one of an infinite number of possible distributions.³

Weighting

There are many possible approaches to weighting each domain that contributes to the overall SAIMD. These include weighting driven by theoretical consideration; weighting that is empirically driven; weighting that is determined by policy relevance; weighting that is determined by consensus; and weighting that is arbitrary. For the SAIMD 2011 the same weights were adopted as were employed in the SAIMD 2001 - namely equal weights.⁴

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³ See for further information Noble et al. (2006b).
⁴ For a full discussion see Noble et al. (2006b).
7. The geography of multiple deprivation

How to interpret the ward level results

There are five ward level measures: four domain measures (which were combined to make the overall SAIMD 2011) and one overall SAIMD 2011. These five measures are each assigned a rank. The most deprived ward for each measure is given a rank of 1. The ranks show how a ward compares to all the other wards in South Africa.

The four domain measures and ranks

Each domain or dimension of deprivation has a score which is the proportion of the population (or in the case of the material deprivation domain the proportion of households) experiencing each of the deprivations. These domain measures (which can be referred to as domain indices) are then ranked and can be used separately to describe patterns of each type of deprivation in the province. Within a domain, the higher the score, the more deprived the ward. However, the scores should not be compared between domains as they have different ranges. To compare between domains, the ranks should be used. A rank of 1 is assigned to the most deprived ward.

The overall SAIMD 2011

The overall SAIMD 2011 describes a ward by combining information from all four domains: Material Deprivation, Employment Deprivation, Education Deprivation and Living Environment Deprivation. These are combined in three stages; first each domain is standardised by ranking; the ranks are then transformed to a standard distribution – the exponential distribution described above. Finally the domains are combined using equal weights. The final ward level SAIMD 2011 is then ranked with the most deprived ward given a rank of 1 and the least deprived ward a rank of 4,277.

The SAIMD 2011 at ward level can therefore be described as the combined sum of the weighted and exponentially transformed rank of all the domains scores. The larger the SAIMD score, the more deprived the ward. However, because of the way that the component domains scores have been transformed, the scores are not linear. Thus a ward with a score of 40 can be said to be more deprived than a ward with a score of 20 but cannot be regarded as twice as deprived.
National and provincial results

Because the overall SAIMD 2011 is a ward level measure, it is not possible to give direct national and provincial SAIMD scores. However, it is possible to summarise the ward level SAIMD at provincial level (and at other spatial scales such as district municipality and local municipality). There are a number of possibilities but the most meaningful is to calculate the population weighted average rank of the wards for each higher level geography (Noble et al., 2000; Noble et al., 2004).

At province level the population weighted average rank for the wards in each province can be calculated. The lower the population weighted average rank of the wards in that province, the more overall multiple deprivation there is in the province. From the Table 1 below we can see that the Eastern Cape has a population weighted average rank of 1572 and is the most deprived province in South Africa on this measure. On the other hand, with a population weighted average rank of 3339, the Western Cape is the least deprived province in the country.

Table 1: Population weighted average ward rank of the SAIMD 2011 for each province in South Africa

<table>
<thead>
<tr>
<th>Province Code</th>
<th>Province Name</th>
<th>Population weighted Average Rank</th>
<th>Rank Order where 1=most deprived</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Eastern Cape</td>
<td>1572</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Limpopo</td>
<td>1772</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>North West</td>
<td>2016</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>KwaZulu-Natal</td>
<td>2020</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Northern Cape</td>
<td>2312</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Mpumalanga</td>
<td>2318</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Free State</td>
<td>2611</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Gauteng</td>
<td>3275</td>
<td>8</td>
</tr>
<tr>
<td>1</td>
<td>Western Cape</td>
<td>3339</td>
<td>9</td>
</tr>
</tbody>
</table>
A more nuanced picture can be shown in the box plot below.

**Figure 1**

These box plots and those that follow should be interpreted as follows. The range of deprivation is illustrated by the vertical line (with outliers shown as dots). So, if we take the Eastern Cape as an example. The most deprived ward is ward No. 11 in Port St Johns local municipality and is ranked 1 in the country (where 1 = most deprived) – it is both the most deprived ward in the country and in the Eastern Cape. The Eastern Cape’s least deprived ward is ward No. 6 in Nelson Mandela Bay municipality and is ranked 4,256 (where 4,277 = least deprived). So the range of deprivation in wards in the Eastern Cape is very large.

The green box indicates the range of the middle 50 per cent of wards in the province (the interquartile range⁵) while the horizontal line in the box is the median ward’s rank. The boxes for the Western Cape, Gauteng and Limpopo are relatively short, indicating

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⁵ The interquartile range (IQR) is ‘a measure of dispersion calculated by taking the difference between the first and third quartiles (that is, the 25⁰ and 75⁰ percentiles). In short, the IQR is the middle half of a distribution’ (Vogt, 1999: 143).
that these provinces’ wards are concentrated in a fairly narrow range. For Limpopo, the box sits towards the bottom of the chart, which shows that deprivation in the province is concentrated in the most deprived part of the national distribution. However, for the Western Cape and Gauteng the boxes sit towards the top of the chart, which shows that deprivation in these provinces is concentrated in the least deprived part of the national distribution.

Although the overall SAIMD 2011 can only be expressed at higher spatial levels in terms of population weighted average ranks, the individual domains can be expressed as simple percentages. The following Table 2 provides this information.

Table 2: Provincial rates of deprivation for the four domains of the SAIMD 2011

<table>
<thead>
<tr>
<th>Province</th>
<th>Material Deprivation %</th>
<th>Employment Deprivation %</th>
<th>Education Deprivation %</th>
<th>Living Environment Deprivation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>24.8</td>
<td>25.1</td>
<td>16.8</td>
<td>19.1</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>52.0</td>
<td>47.3</td>
<td>28.5</td>
<td>59.6</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>39.5</td>
<td>34.1</td>
<td>30.0</td>
<td>32.1</td>
</tr>
<tr>
<td>Free State</td>
<td>33.3</td>
<td>38.9</td>
<td>23.4</td>
<td>32.9</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>43.0</td>
<td>42.3</td>
<td>23.4</td>
<td>55.3</td>
</tr>
<tr>
<td>North West</td>
<td>41.7</td>
<td>37.9</td>
<td>28.7</td>
<td>55.4</td>
</tr>
<tr>
<td>Gauteng</td>
<td>30.8</td>
<td>29.8</td>
<td>12.6</td>
<td>21.5</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>34.9</td>
<td>38.2</td>
<td>24.4</td>
<td>54.5</td>
</tr>
<tr>
<td>Limpopo</td>
<td>40.2</td>
<td>46.4</td>
<td>24.3</td>
<td>71.9</td>
</tr>
<tr>
<td>South Africa</td>
<td>37.1</td>
<td>36.0</td>
<td>20.9</td>
<td>43.8</td>
</tr>
</tbody>
</table>

While the rates of deprivation are below 40% for three of the domains at the national level, there is wide variation across the provinces for each domain. The Western Cape and Gauteng generally have the lowest rates of deprivation for each of the 4 domains, while Limpopo, the Eastern Cape, KwaZulu-Natal and North West have relatively higher rates of deprivation in each of the domains, than the other provinces.

Limpopo fares worst of all provinces in respect of the Living Environment domain with 72% of its population being deprived on this domain, followed by the Eastern Cape (60%). In terms of Employment Deprivation, Limpopo comes a close second (46%) to the
Eastern Cape (47%). On the Material Deprivation domain, Eastern Cape scores highest (52%), followed by KwaZulu-Natal (43%), then North West (42%) and Limpopo (40%). Education is the only domain where relatively low rates of deprivation can be observed across all provinces, with the Northern Cape scoring highest (30%), closely followed by the Eastern Cape (28.5%) and North West (28.7%), and Limpopo scoring 24%. However, relative to some of the other provinces the rates for these 4 provinces are still high, when compared to Gauteng and the Western Cape which have much lower rates (13% and 17% respectively).

**Local Municipality Level Deprivation**

Just as it is possible to compute the population weighted average rank of wards in a province, so it is possible to do this for each local municipality. The following two tables show the 10 most deprived local municipalities (Table 3) and the 10 least deprived local municipalities (Table 4) on this measure.

As can be seen from Table 3 five of the most deprived local municipalities are in KwaZulu-Natal and five are in the Eastern Cape.

**Table 3: Population weighted average ward rank of the SAIMD 2011 for the most deprived 10 local municipalities in South Africa**

<table>
<thead>
<tr>
<th>Province</th>
<th>District</th>
<th>Local Municipality</th>
<th>Population weighted average rank of wards in the local municipality (where 1=most deprived)</th>
<th>National rank (where 1=most deprived)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KwaZulu-Natal</td>
<td>Umzinyathi</td>
<td>Msinga</td>
<td>176</td>
<td>1</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>Alfred Nzo</td>
<td>Ntabankulu</td>
<td>280</td>
<td>2</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>O.R.Tambo</td>
<td>Port St Johns</td>
<td>304</td>
<td>3</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>Ugu</td>
<td>Vulamehlo</td>
<td>383</td>
<td>4</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>iLembe</td>
<td>Maphumulo</td>
<td>388</td>
<td>5</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>Alfred Nzo</td>
<td>Mbizana</td>
<td>395</td>
<td>6</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>O.R.Tambo</td>
<td>Ngquza Hill</td>
<td>399</td>
<td>7</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>Umkhanyakude</td>
<td>Umhlabuyalingana</td>
<td>400</td>
<td>8</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>Chris Hani</td>
<td>Engcobo</td>
<td>449</td>
<td>9</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>Uthungulu</td>
<td>Nkandla</td>
<td>453</td>
<td>10</td>
</tr>
</tbody>
</table>
Table 4: Population weighted average ward rank of the SAIMD 2011 for the least deprived 10 local municipalities in South Africa

<table>
<thead>
<tr>
<th>Province</th>
<th>District</th>
<th>Local Municipality</th>
<th>Population weighted average rank of wards in the local municipality (where 1=most deprived)</th>
<th>National rank (where 1=most deprived)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Cape</td>
<td>Namakwa</td>
<td>Richtersveld</td>
<td>3285</td>
<td>225</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Overberg</td>
<td>Overstrand</td>
<td>3297</td>
<td>226</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>Nkangala</td>
<td>Steve Tshwete</td>
<td>3306</td>
<td>227</td>
</tr>
<tr>
<td>Gauteng</td>
<td>City of Tshwane</td>
<td>City of Tshwane</td>
<td>3319</td>
<td>228</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Eden</td>
<td>Mossel Bay</td>
<td>3350</td>
<td>229</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Cape Winelands</td>
<td>Stellenbosch</td>
<td>3362</td>
<td>230</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Cape Winelands</td>
<td>Drakenstein</td>
<td>3385</td>
<td>231</td>
</tr>
<tr>
<td>Western Cape</td>
<td>West Coast</td>
<td>Saldanha Bay</td>
<td>3406.7</td>
<td>232</td>
</tr>
<tr>
<td>Gauteng</td>
<td>City of Johannesburg</td>
<td>City of Johannesburg</td>
<td>3407.4</td>
<td>233</td>
</tr>
<tr>
<td>Western Cape</td>
<td>City of Cape Town</td>
<td>City of Cape Town</td>
<td>3482</td>
<td>234</td>
</tr>
</tbody>
</table>

Table 4 shows the least deprived 10 local municipalities on this measure. It is striking that five are in the Western Cape.

Ward Level Deprivation

The following maps show the overall ward level SAIMD for each province. All the wards in the country are divided into 10 equal groups (deciles) and mapped. The most deprived decile is shaded the deep blue whilst the least deprived decile is shaded bright yellow with a gradation in between as shown in the maps’ legends. It is striking to note that within provinces such as the Eastern Cape, KwaZulu-Natal, North-West and Limpopo that have former homelands within them that wards in these former homelands are often in the most deprived decile of deprivation nationally.
Given this prevalence of deprivation in the former homelands, the following section further analyses deprivation in these areas.

**Former Homeland Analysis**

The following table shows deprivation rates for the four domains in each of the former homelands as well as for ‘all former homelands’, ‘the rest of South Africa’ (i.e. all areas that are not former homelands), and ‘all of South Africa’ (which includes the former homelands).
Table 5: Deprivation in the former homelands in 2011

<table>
<thead>
<tr>
<th>Province containing greater part of former homeland</th>
<th>Material Deprivation</th>
<th>Employment Deprivation</th>
<th>Education Deprivation</th>
<th>Living Environment Deprivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Former Bophuthatswana</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North West</td>
<td>38.1</td>
<td>46.8</td>
<td>26.0</td>
<td>67.0</td>
</tr>
<tr>
<td>Former Ciskei</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>41.5</td>
<td>56.2</td>
<td>24.3</td>
<td>50.5</td>
</tr>
<tr>
<td>Former Gazankulu</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limpopo</td>
<td>36.9</td>
<td>58.3</td>
<td>28.9</td>
<td>77.6</td>
</tr>
<tr>
<td>Former KaNgwane</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>33.7</td>
<td>47.2</td>
<td>29.1</td>
<td>71.4</td>
</tr>
<tr>
<td>Former KwaNdebele</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>29.0</td>
<td>45.9</td>
<td>27.6</td>
<td>65.0</td>
</tr>
<tr>
<td>Former KwaZulu</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>48.7</td>
<td>54.5</td>
<td>27.0</td>
<td>67.4</td>
</tr>
<tr>
<td>Former Lebowa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limpopo</td>
<td>38.7</td>
<td>57.2</td>
<td>23.3</td>
<td>81.9</td>
</tr>
<tr>
<td>Former Qwa Qwa</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free State</td>
<td>36.8</td>
<td>56.0</td>
<td>22.8</td>
<td>61.4</td>
</tr>
<tr>
<td>Former Transkei</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>69.0</td>
<td>58.4</td>
<td>37.2</td>
<td>87.8</td>
</tr>
<tr>
<td>Former Venda</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limpopo</td>
<td>36.9</td>
<td>54.5</td>
<td>24.0</td>
<td>77.0</td>
</tr>
<tr>
<td>All former homelands</td>
<td>46.4</td>
<td>53.8</td>
<td>28.0</td>
<td>73.7</td>
</tr>
<tr>
<td>Rest of South Africa</td>
<td>33.0</td>
<td>30.1</td>
<td>17.9</td>
<td>27.6</td>
</tr>
<tr>
<td>All South Africa</td>
<td>37.1</td>
<td>36.0</td>
<td>20.9</td>
<td>43.8</td>
</tr>
</tbody>
</table>

This analysis shows that the former Transkei in the Eastern Cape has the highest rates of deprivation across the four domains. In addition to the former Transkei where nearly 88% of the population is living environment deprived, former homelands in Limpopo score very highly for this domain with 82% of the population in former Lebowa, 78% in former Gazankulu, and 77% in former Venda without electricity and/or water and/or sanitation and/or adequate housing.

When analysing the ‘rest of South Africa’ separately from the former homelands, deprivation rates drop dramatically, with only 28% deprived in the Living Environment domain, 18% in the Education domain, 30% in the Employment domain and 33% in Material deprivation domain. Former homelands, therefore, continue to carry most of the burden of multiple deprivation in South Africa.
This picture remains little changed from the position in 2001 (see Noble and Wright, 2013).
Income Poverty at Ward Level

Background

As has been indicated in section 3, deprivation is conceptualised as a lack of material possessions, social and human capital, decent housing and associated services. Poverty on the other hand can be regarded as the lack of resources to obtain such items or services people are deprived of. So, in addition to examining multiple deprivation at small area level it is also useful to look at income poverty.

Despite attempts by government to introduce an official income poverty line, no such poverty line has so far been adopted. Indeed, arguments have been made that a realistic poverty line must take into account the resources required for an “acceptable standard of living”. Such a poverty line would require at the very least consideration of a consensual measure of poverty (Wright et. al 2012) as well as detailed further work using the “budget standards approach” (see e.g. Hirsch 2013).

A number of income poverty lines have been used by analysts in South Africa over the years. A common one which has been used extensively by the NIDS team at the University of Cape Town is based on work undertaken by Hoogeveen and Ozler and published in 2006. They propose two poverty lines - a “lower bound” poverty line and an “upper bound” poverty line. These poverty lines are utilised for the analyses in this section. Inflating Hoogeveen and Ozler’s lines to 2011 prices using the published CPI results in two per capita poverty lines - a lower bound poverty line of R604 per capita per month and an upper bound poverty line of R1113 per capita per month.

Methodology

Almost all analyses of income poverty are undertaken using survey data to produce national/provincial measures of poverty or, occasionally, to produce measures of poverty relating to particular subgroups such as population groups or gender. Spatial analysis below province level is rare and is usually limited to distinctions between particular area types such as urban/rural.

The poverty measures used are usually expressed in terms of the headcount ratio (P0) which can be thought of as the proportion of the population in poverty. In addition poverty gap measures (p1 and p2) are usually given. In this analysis the intention is to produce the equivalent of a poverty headcount ratio at ward level. Put another way, the
resultant measure will describe the proportion of the population in a ward who are below either the lower bound or the upper bound poverty line.

In order to produce a ward level measure it is necessary to derive information from the 2011 census as no survey source is reliable for such small areas. Achieving this measure using census data obtained using superstar requires a number of complex data manipulations. In brief, the banded household income (which is itself a derived variable being the aggregate of individual banded income) needs to be translated into point income and a per capita income created. This can then be compared to each of the poverty lines and proportions of individuals falling below the lines for each ward computed. Necessarily there is some loss of information when the banded income is translated into point income. To do this the same procedure that Stats SA used when creating the banded household income from banded individual income is utilised. Basically, the logarithmic mean of the band was employed to specify the particular point income value for the band.

Results

Using this methodology, the poverty headcount ratios for South Africa as a whole in 2011 are, for the lower bound line 0.56 and for the upper bound line 0.65. It is notoriously difficult to compare poverty rates from different studies in South Africa as they typically use different poverty lines, different data sources and, in some cases, consumption rather than income. However these national figures compare reasonably well with the figures generated from the first wave of NIDS (see Argent et al., 2009 and Leibbrandt et al., 2010).

The following table presents the poverty rates calculated using the same methodology for the nine provinces.
Table 6: Provincial Poverty Rates derived from Census 2011 using two poverty lines derived from Hoogeveen and Ozler (2006)

<table>
<thead>
<tr>
<th>Province</th>
<th>Lower Bound (R604)</th>
<th>Upper bound (R1113)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>40.1</td>
<td>51.6</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>69.0</td>
<td>76.9</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>54.7</td>
<td>66.0</td>
</tr>
<tr>
<td>Free State</td>
<td>58.9</td>
<td>68.9</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>62.7</td>
<td>71.1</td>
</tr>
<tr>
<td>North West</td>
<td>58.7</td>
<td>67.7</td>
</tr>
<tr>
<td>Gauteng</td>
<td>40.7</td>
<td>49.0</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>60.2</td>
<td>69.6</td>
</tr>
<tr>
<td>Limpopo</td>
<td>70.3</td>
<td>78.2</td>
</tr>
<tr>
<td>All South Africa</td>
<td>55.7</td>
<td>64.6</td>
</tr>
</tbody>
</table>

From this table it is clear that income poverty in provinces containing former homelands such as Limpopo, the Eastern Cape and KwaZulu-Natal have the highest provincial poverty rates, well above the national rates (whichever poverty line is used).

The following maps show the distribution at provincial level for both poverty lines. As with the other maps, all wards have been divided into deciles. The wards in the decile with the highest poverty rates are shaded deep blue while those with the lowest poverty rates are shaded yellow.
Ward level income poverty rates 2011 (poverty line R1113 per capita pm)
Eastern Cape Province
References


Lloyd, N. and Leibbrandt, M. (2013) New evidence on subjective wellbeing and the


