COMMENTARY

Poverty Trends and Understanding South Africa's Living Cost Pressures

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The latest Statistics South Africa (StatsSA) report on poverty trends between 2006 and 2023 reveals a society navigating economic turbulence, demographic pressures, structural inequalities and rising cost of living. Using the Income and Expenditure Survey and the money-metric method, StatsSA shows how many households are struggling to survive.

At the core of this analysis are the national poverty lines, each representing a layer of vulnerability.

- The **Food Poverty Line (FPL)** of *R777* per person per month marks the bare minimum required to consume enough calories to survive.
- **Lower-Bound Poverty Line (LBPL)** of *R1 300* captures those that can afford food but must make harsh trade-offs between eating and other household basics like transport, electricity, or clothing.
- **Upper-Bound Poverty Line (UBPL)** at *R2 365*, marks the minimum for a basic but minimally acceptable standard of living.

The National Development Plan (NDP) uses the LBPL to monitor poverty trends. Accordingly, between 2015 and 2023 poverty declined by 8.8% moving from 25.7 million people in 2015 to 23.2 million people in 2023. However, the findings reflected that 10.8 million people still fell below the Food Poverty Line in 2023.

This figure represents individuals who cannot afford even the bare minimum required to meet energy needs for survival. Falling below the food poverty line suggests exposure to hunger, malnutrition, compromised health, and increased psycho-social stress. The causes are multi-layered, including persistent unemployment, stagnant incomes, rising food prices, high dependency ratios, and in some areas, limited access to affordable markets and agricultural produce.

StatsSA's further reveals women as carrying the heaviest burden. Women remain disproportionately affected, accounting for 53.6% of the poor, compared to 46.4% for men. This imbalance indicates the enduring challenges and gendered economic opportunities. Age patterns were also significant. Children between the ages of 0 and 17 years and young adults between 18 and 24 years make up a larger share of those living below the LBPL.

These are age groups that heavily rely on the financial stability, social grants, and access to education. Many youths, especially those aged between 19 and 21 who are studying or transitioning into the job market, poverty is closely linked to South Africa's unemployment crisis that is currently recorded at 31.9% whilst youth unemployment remains high at over 46% accompanied by the slow absorption rate of young workers.

Household size is another powerful determinant. More than 63% of the poor live in households with six or more members, underscoring the heavy strain placed on limited household income. A small income stretched across many dependents weakens food security, education opportunities, and overall well-being.

Geographically, the poverty landscape reshaped itself in different ways:

- Limpopo showed the most significant decline from 66% in 2015 to 47.6% in 2023.
- The North-West, burdened by unemployment, shifted to the second-poorest position after KwaZulu Natal.
- The Western Cape indicated faster poverty reduction than Gauteng.
- Among the metros in 2023, the City of Cape Town recorded the lowest LBPL poverty rate at 19.1%, while eThekwini had the highest at 40.7%.

These regional differences often mirror the availability of jobs, access to markets, food prices, and transport costs, among other aspects.

Food remains the anchor of poverty analysis, considering how far households' baskets must stretch each month. Low-income households typically consume from a list of 46 staple food items, including maize meal, rice, bread, potatoes, chicken portions, sugar, tea, cooking oil, cabbage, onions, carrots, beans & other legumes, salt, soup mixes, etc. Many of these items overlap with the NAMC's 28-item food basket, which monitors the prices of essential foods. When prices of staple items increase, even slightly, these have a direct effect on low-income households. These households often spend 30-40% or even more of their income on food alone.

Agriculture's performance directly affects this reality. High input costs (fertilizer, fuel, electricity), extreme climate conditions (droughts and floods), disease outbreaks in livestock and transport inefficiencies all push food prices upwards. When these shocks occur, the poorest households feel it first and hardest. With the agricultural sector sitting at the intersection of food security, employment, and affordability, when the sector thrives:

- food prices are likely to stabilize;
- households may afford more nutritious diets;
- dependency ratios may decrease; and
- poverty indicators improve.

The relationship between poverty, food prices, and agriculture is central. The agricultural sector directly influences the affordability of the 46 food items used to calculate the food poverty line. Every season's crop yield, every supply-chain disruption, every climatic shock finds its way into the household food basket, shaping whether families can meet the R777 threshold (FPL) stretch to R1 300 (LBPL), or maintain the dignity associated with R2 365 (UBPL).

All in all, beyond the statistics lies the lived reality that households are constantly adjusting to economic shocks and the rising food costs. The gradual decline in poverty masks the daily struggle faced by millions, hovering just above or below the survival thresholds. Addressing poverty, therefore, requires placing the agricultural sector at the centre of economic and social policy.