

# Chronic Poverty and Older People in South Africa

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# **Executive Summary**

## **Introduction**

This report is one of two<sup>1</sup> commissioned by HelpAge International (HAI), which investigates the extent, distribution and nature of chronic poverty among older people in South Africa. In response to the terms of reference provided by HAI, the report includes a comprehensive review of existing research, both published and unpublished. In addition to this review, quantitative datasets were examined, and a new database containing information related to 26,918 people, 50 years of age and older was constructed.

## **Methodology**

Contemporary social theory offers two useful concepts that assist the analysis of chronic poverty i.e. the “actor perspective” and the “system perspective”. This framework of actors and systems looks at the economic and demographic characteristics and activities of older people, and then examines the families, communities and broader social context in which older people endeavour to survive (Giddens, 1984). This paper proposes a chronology of ageing, using pensionable age as the biographical marker by which life course is organised. For the purpose of this report, 64 years has been taken as the age when both men and women are eligible for the Old Age Pension (OAP). The categories thus used are:

- Near old age (50-63)
- Old age (64-73)
- Late old age (74-83)
- Frail old age (84+)

Differences between men and women, particularly difference in the age of eligibility, among social groups, and between those older people who live in chronic poverty and those that do not, are explored within the study.

The Chronic Poverty Research Centre (CPRC) defines the chronically poor as those least likely to experience the benefits of development initiatives and, presumably, growth. In this sense chronic poverty is related to broader concepts of economic and social exclusion.

Currently there is limited quantitative data available on chronic poverty, and the KwaZulu-Natal Dynamics Study (KIDS) undertaken in 1993 and 1998 remains the only relatively large panel survey for detailed analysis of poverty trends in South Africa. In the quantitative analysis, chronic poverty is defined in terms of current income levels. Data was gathered on work, health, and access to services, and a crude measure of household and individual income was also collected, using data drawn from the census and the 1994 and 1998 October Household Surveys (OHSs).

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<sup>1/</sup> The second report on chronic poverty and older people in in Bangladesh will be published in July 2003.

In the qualitative work analysed, the trajectory approach whereby poor people describe their current situation by referring to their future prospects was used.

### **Extent and distribution of poverty amongst older people**

South Africa has one of the most rapidly ageing populations in Africa, with a particular increase in the 64-73 year age category, from 25.8% of the total population of older people in 1996 to 26.5% in 1999. According to the data, one quarter of all older people can be expected to be chronically poor, in terms of the poverty line that has been used i.e. living in households earning less than half of R800 per month. It was found that Africans make up almost 90% of chronically poor older people.

Also, for all age groups there are more female than male older people. The socio-economic implication of this feature is that 42% of all African households are female-headed, more so by the grandmother than the mother of the family.

The distribution of chronic poverty largely follows that of the national poverty profile with the Limpopo province, Eastern Cape and Free State and Northwest being the poorest areas, while the Western Cape and Gauteng are least poor. In so far as the geographic movements of the chronic elderly poor are concerned, studies have shown that older people continue to migrate, largely due to the availability and quality of health services, physical infrastructure and pension systems.

The distribution of older people within dynamic poverty groups is shown below.

### **Dynamic poverty measurement by age group (%)**

<b>Dynamic poverty measure</b>	<b>Not old</b>	<b>50-63</b>	<b>64-73</b>	<b>74-83</b>	<b>84+</b>	<b>Total</b>
Structurally poor	20.3	16.3	19.1	17.1	23.7	19.9
Sometimes poor	8.3	7.1	11.4	11.6	13.2	8.4
Structurally upward	5.0	4.1	5.0	5.4	2.6	5.0
Structurally downward	25.2	20.0	23.3	28.7	31.6	24.8
Never poor	41.2	52.2	41.1	37.2	28.9	41.9

Just under 20% of the sample were living in households categorized as structurally poor (i.e. lack the assets to generate sufficient income not to be poor), with no clear trend apparent across age groups. The proportion of 'sometimes poor' and the 'structurally downward' groups (those who may become poor if a loss of assets occurs), increase in the older age groups, while the proportion who are 'never poor' (those who have sufficient assets to generate income) falls from 41% to below 30% of the sample.

### **The causes of poverty amongst older people**

This analysis usefully directs attention to events that might occur during the period of near old age, in which the loss of accumulated assets built up over the economically active ages could have a potentially devastating impact upon the future well-being of older people. Access to risk-reducing measures such as insurance, savings and information, and access to the Government OAP, emerge as important issues for poverty reduction.

Exclusion and isolation were identified by the South African Participatory Poverty Assessment (SA-PPA) as being the defining features of poverty in South Africa. Pension-sharing is an instrumental strategy, that affects the living arrangements in old age as well as familial/kinship ties, and is therefore conducive to the social integration of old age pensioners. The loss of family support is a feature of ageing, and besides the direct cost of funeral expenses that will be incurred, for many people the death of an older relative may also imply the loss of the income from the pension of the deceased. Other pressing needs of grandmothers in the study were found to be money for transport to take PWAs (Person with HIV/AIDS) for medical treatment, money to pay for grandchildren's schooling, and money to purchase funeral insurance for dying PWAs.

### **Outcomes of poverty amongst older people**

According to the data collected in the 1998 and 1999 OHSs, the poor old are more likely to have experienced illness/disability than non-poor older persons at all ages. When we analyse this information by race and gender we find that African women are most prone to illness. We thus turn our attention to the needs of the older poor. According to a study in Duduza Township (Hildebrant 1993), the needs of older people were identified as accessible health care, knowledge of nutrition, financial resources to meet the need for food, clothing and shelter, affordable transportation, and community amenities. It is important to note that the older poor are vulnerable to threats that they may not have the resources or power to avoid or endure. Another outcome of poverty experienced among older people is that of abuse. In a survey prepared for the National Department of Health by the Africa Strategic Research Corporation (1999), it was found that 53% of older people interviewed had personal experience of abuse. The three main types of abuse identified were psychological or emotional, financial, and general maltreatment.

### **The South African policy framework**

According to various analysts, South Africa's macroeconomic policy has represented a substantial shift from redistribution and social justice to neo-liberal reforms and widening inequalities. Six years into democracy and four years after the Growth, Employment and Redistribution Strategy (GEAR), it is clear that apart from complying rather well with Washington Consensus-type targets for macroeconomic stability, the real economy is performing nowhere near the levels that are needed to address the problems that South Africa inherited from apartheid. Unemployment rates have risen whilst foreign direct

investment has plunged. The situation has been compounded by mismanagement, corruption, and lack of capacity in terms of service delivery to the poor (Michie and Padayachee, 1998: 630-1).

State OAPs are the most important form of social security for older persons in South Africa. Ferreira *et al.* (1995) note that these pensions go to women more than men; reach deep into rural areas; often can secure credit for the household at the local store; contribute to the education of grandchildren; ensure respect for the beneficiary; and secure the right of the older person to stay in the home and be cared for by the family.

### **Conclusions and recommendations**

Chronic poverty is not yet an analytical concept adopted by South Africa's policy-makers, and as a result, most policy does not specifically target the chronically poor. However, recent scrutiny of the entire social security system in South Africa has led to increasing attention being directed towards the role of different grants in assisting poverty reduction. Although increasing research is focusing on the various transitions, the vulnerability of older people, especially those preparing for some form of retirement, has not received the attention it deserves. According to this report, older people in South Africa continue to work well into the later stages of ageing, fulfilling an important economic role. However, chronic poverty reduces the options of older people to move from producer to consumer. Key events that public policy interventions may be able to prevent, or minimize the negative outcomes of, should be identified.

# **1. Introduction**

## **1.1 Background**

The Chronic Poverty Research Centre (CPRC) was set up in March 2001 with funding from the United Kingdom's Department for International Development (DFID). CPRC's work focuses on those individuals who are least likely to benefit from national and international development initiatives. As part of this research programme, HelpAge International (HAI) are co-ordinating a number of studies that focus specifically on the situation and needs of chronically poor older people. This report is one of two commissioned by HAI that investigates chronic poverty and older people in South Africa. The report reviews secondary quantitative and qualitative data and uses these data to analyse the extent, distribution and nature of chronic poverty among older people. Although causal analysis is beyond the scope of this study, the report does attempt to identify possible explanations for chronic poverty among older people and discuss the consequences of this, both for older people and for their families and communities.

## **1.2 Terms of reference**

The following terms of reference were provided by HAI:

1. Identify and review available demographic and population statistics, census studies and other quantitative sources, and provide information on the scale and distribution of poverty among older populations in South Africa. Identify quantitative data sources that could be re-run to collect age-disaggregated information.
2. Review available qualitative research material on chronic poverty and provide information on:
  - the nature, durability, causes and outcomes of chronic poverty among older people in South Africa;
  - groups or categories of older people who are worst affected by poverty (e.g. ex-farm workers, refugee communities, female-headed households);
  - indications of geographical (provincial, urban, rural) differences ;
  - indications of the relative scale of poverty among older persons compared to other age groups; and
  - analysis of survey data and quantitative information (in relation to the above) on chronic poverty and older people.
3. Review sources and provide information about the policy environment in which social policy is currently determined in South Africa, with particular reference to policy affecting older people, and policy on ageing.



4. In collaboration with the HAI Programme Director, facilitate a number of meetings with policy makers in Pretoria (e.g. from government bodies such as Treasury and Finance, Health, Social Development, Commissioners for Gender and Human Rights; from international organisations such as the World Bank) to contribute to policy and political analysis. This component of the project still has to be completed and will be incorporated into the second draft of the report.
5. In conjunction with the HAI Programme Director, plan and facilitate a half-day meeting with identified policy, research, donor and NGO communities in Pretoria and Johannesburg.

In response to these terms of reference, a comprehensive review of existing research was undertaken. This included published documents such as journal articles and book chapters, as well as unpublished studies such as theses, and submissions to commissions of inquiry and poverty reports. In addition to this review, existing quantitative datasets were examined, and a new database was constructed from two national cross-sectional studies undertaken in 1998 and 1999. This database contains information relating to 26,918 people 50 years of age and older.

### **1.3 Structure of the report**

The report first deals with methodological issues and defines the main terms that are used throughout the document, providing an analytical framework for the study. Using the concepts of actor/system, the approach adopted seeks to understand the activities and experiences of older people in South Africa, and then to analyse the context within which these activities and experiences occur. This section also proposes a chronology of ageing and defines the notion of chronic poverty. The next section describes the main sources of data that are used in this report, principally dealing with the new large sample survey undertaken by Statistics South Africa (Stats SA), the official source of data in South Africa. The fourth section uses this information to demonstrate the extent and distribution of chronic poverty in South Africa. Sections 5 and 6 look at the causes and outcomes of chronic poverty amongst the older population. The final section reviews the policy framework for the support of older persons in South Africa, leading to the conclusion of this report in which future directions for research and advocacy are outlined.

## **2. Methodology**

### **2.1 Analytical framework**

Contemporary social theory offers two useful concepts that can assist the analysis of chronic poverty. Firstly, adopting an “*actor perspective*” focuses analysis on how individuals manage their assets, socially-defined rights and opportunities in situations of varying risks. This mode of analysis examines the resources and skills that people have, what they do with these resources and how this shapes the social and economic environment in which they are located. In the language of Amartya Sen, the concern here is with ‘endowments’ and ‘capabilities’ and an implicit recognition that those who are poor are not simply victims unable to react to their situation. One mechanism to understand

changes in the constraints and opportunities that can influence the success or failure of individual and household actions is called the “*system perspective*”. Here, the focus shifts to the context within which the livelihoods adopted by the poor operate and their subsequent outcomes. This framework of ‘actors and systems’ is followed in this report, which will first look at the economic and demographic characteristics and activities of older people, and then examine the families, communities and broader societal context in which they endeavour to survive (Giddens, 1984).

From the perspective of policy intervention and advocacy, it is also worth noting that it is possible to separate two quite different views of the poor in the development literature, both of which draw on an ‘actors and systems’ framework. At the risk of over-simplification, one view may be thought of as portraying the poor as enterprising individuals constantly on the search for new and better opportunities, and the role of the government being largely restricted to the creation of an enabling environment in which this can take place. A contrasting approach is represented by the notion of poverty traps. Where the former group look for virtuous cycles of personal development, this view emphasises vicious cycles and the inability of those who are poor to cope. Personal attributes have been thought to play a role in this, with for example, the well-known “culture of poverty” proposed by Oscar Lewis in the 1960’s, which emphasised the lack of self-esteem, fatalism and risk aversion found among slum dwellers and the homeless.

Structural variables also contribute towards this vicious circle. Within neo-classical economics, some recent theoretical analyses explore the circumstances under which some poor agents may get caught in a poverty trap from which neither time, nor the opportunity to save and accumulate assets will deliver them (Carter and May, 2001; Carter and Zimmerman, 2000). The role for the state thus becomes more regulatory in nature, attempting to manage markets towards meeting the needs of the poor, as well as actively promoting redistribution and safety nets. It is largely this perspective that informs the recommendations that are made in this report.

## **2.2 Definition of older people**

The literature review undertaken for this paper suggests that being old can occur at different chronological ages, determined by the prevalent socio-cultural milieu, or even by the specific context of sub-groups within society. Economic structures also play a role in terms of the type of work that can be carried out, the availability of health facilities and other support infrastructure, and the existence of insurance and financial markets that permit savings for the future.

Following the WHO-funded 2000 Harare Minimum Data Set Workshop, this paper considers all those aged 50 years and above to be old, rather than the more frequently used cut-off of 60 years (WHO, 2001). There are several reasons for this:

- Those in the 50-60 year age group are preparing for the transition to old age and experience many of the life-cycle changes that can affect the success of this transition. This can be thought of as the beginning of a period of reduced productive activity, the completion of reproductive activities, including the care and education of the next generation, and the consumption of accumulated savings. It is also then a period of high

vulnerability in which negative events or shocks can undermine prospects for a successful transition.

- For planning purposes, those in the 50-60 year age group are the next generation of older people, and future resource requirements can be estimated from the numbers and situation of those in this age group. This would include projections of the demand for social security payments, facilities and institutional care.
- Finally, as noted by the Harare Workshop, in African society, people falling into this age group are traditionally regarded as being old.

Further breakdowns are distinguished in an attempt to differentiate stages of ageing. While it would be tempting to follow convention and adopt five or ten year age gaps, this approach may conceal critical life events that occur during ageing. In the specific context of South Africa, Sagner's (2000) historical analysis of the government pension system suggests that the age of eligibility for pensions is the most important of these. He notes that the introduction of the Pension Laws Amendment Act in 1944 that extended the Old Age Pension (OAP) to Africans constituted a turning point in the social history of ageing in South Africa. From this point, pensionable age began to mark a biographical orientation point by which the life course was organised. For the sake of simplicity, in this paper, pensionable age has been taken at 64 years, as the age when both men and women are eligible for the OAP.<sup>2</sup> The categories used are thus:

- **Near Old Age (50-63 years):** The international definition of demographic ageing appears to be 65 years. Here, 64 years is used as the breakpoint since this is the age when all eligible older people can receive a government pension, and as a result the upper boundary of this group may be thought of as an institutional/legal definition. The 'near old' group are those for whom the consolidation and preservation of their assets is critical if they are to avoid poverty as they age. It is hypothesised that although people in this age group are likely to be breadwinners, key decision-makers and caregivers, this is a period of high vulnerability, in which shocks and the failure to accumulate can have serious long term consequences.
- **Old Age (64-73 years):** This group corresponds to the conventional definition of older people, and represents a period of reduced earnings, but not necessarily without the reduction of health status and strength. It is expected that many people in this group will not be dependent upon their families or other institutions for support, and through social pensions may continue to be principle breadwinners as well as caregivers to grandchildren.
- **Late Old Age (74-83 years):** This age band is expected to be that in which the shift occurs from being a principle decision-maker to a nominal decision-maker, and in which the transition is also completed from bread winner to consumer.
- **Frail Old Age (84+):** This period is seen to be one of extreme dependency on families or other institutional arrangements for physical and economic support. People in this category are thus most likely to be receiving care and least likely to be able to provide care or financial support to others.

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<sup>2/</sup> In the current OAP system, women are eligible for a pension from 60 years of age while men are eligible from 64 years.

Obviously any such categorisation is not inflexible, and it is possible that ill health may result in the extreme dependency of those younger than 64 years, while accumulated wealth may ensure that those older than 84 years retain their position as principle decision-makers. Furthermore, due to the heavy workload of many older people, it is quite possible that some of those in this category may still be performing household chores. There will also be differences between men and women, not the least of which will be differences in the age of eligibility for the OAP. However, this approach retains the notion of a chronological or demographic definition of ageing, but should allow for differences between social groups to emerge and, in particular, the difference between those older persons who live in chronic poverty and those that do not.

### **2.3 Conceptualising chronic poverty**

As defined by CPRC, the chronically poor are those least likely to experience the benefits of development initiatives and, presumably, growth. In this sense, chronic poverty is related to broader concepts of social and economic exclusion. CPRC goes on to explicitly identify a number of target groups for study, including older people. A more common functional definition of chronic poverty is based on the period spent by the household or individual in some state of well-being categorised as being poor. In this approach, chronic poverty can be differentiated from transitory poverty when the same household/individual is repeatedly observed to be poor, rather than undergoing ‘spells’ of poverty (Bane and Altwood; 1986, Grooteart and Kanbur, 1995; May and Roberts, 2002). This may be thought of as a ‘time-spell’ definition of poverty and refers to movements into and out of poverty over the life cycle.

Aliber (2001:1) suggests that

...perhaps more meaningfully, chronic poverty can be understood as a household's or individual's inability, or lack of opportunity, to better its circumstances over time or to sustain itself through difficult times. As such, chronic poverty can be a function of the individual's characteristics (e.g. old, disabled), or of the environment (e.g. sustained periods of high unemployment, landlessness), or very likely of both.

Certainly, many studies based on the perceptions of the poor have shown that poverty is felt to include alienation from community and kin and a sense of powerlessness. This view has some parallel with the concept of social exclusion that has been the subject of debate concerning poverty in Europe, and which appears to inform CPRC's approach. In this analysis, social exclusion is seen to focus “primarily on relational issues (such as) the lack of social ties to the family, friends, local community, state services and institutions or more generally to the society to which an individual belongs” (Bhalla and Lapeyre, 1997:417).

The concept of exclusion has been described as containing both economic and social dimensions. While the economic dimension refers to exclusion from the opportunities to earn income, the labour market and access to assets, the social dimension refers to participation in decision-making, access to social services and community/family support. At one level then, social exclusion can refer to the exclusion of the rights of citizenship, to markets and to political structures, while at another, the concept refers to relationships

within families and communities. The usefulness of the concept is the support that it lends to the importance of social relationships in resource allocation. This aspect of poverty has been recognised by others including Townsend (1985:665), who talks of inability to fulfil the roles of parent, kin, citizen, neighbour and so forth as an aspect of deprivation. Describing the idea of a relativist poverty threshold, Townsend argues that below a certain level of income, people are no longer able to fulfil certain social, cultural or political obligations. As a result, the poor not only consume less, but also change their behaviour (*ibid.*:662). Being ashamed to appear in public and unable to participate in the activities of the community are also noted by Sen (1985:161,169) in this regard.

This notion of exclusion underpins Carter and May's (1999, 2001) attempts to construct an assets-based poverty threshold below which accumulation becomes impossible, and no pathway offers the opportunity of being 'never poor'. Chronic poverty can thus be thought of as the outcome of future prospects as determined by the initial stock of assets that are available and the opportunities that exist for using these assets. This could be thought of as a 'trajectories' definition of chronic poverty, in which poverty is thought of as the outcome of lifetime production, consumption and accumulation.

A consequence of deprivation of this kind is intergenerational poverty, in which the circumstances in which children grow up dictates their future prospects of moving beyond the poverty of their parents. This includes not simply the resources available to the family, but also those available to the communities, neighbourhoods and peer groups with which the child interacts (Brooks-Gunn *et al.*, 1997). Indeed, for Woolard and Liebbrandt (2001:54) intergenerational poverty partly defines chronic poverty, and in the context of older persons, HAI (2001:2) has defined chronic poverty as:

poverty that impacts on more than one generation, is hard to move out of and is multi-dimensional. Extreme poverty in old age is viewed as an intergenerational phenomenon. Poverty experienced in adulthood is likely to deepen with age, and this in turn has an intergenerational impact within households.

However, the operationalisation of such definitions of chronic poverty are largely determined by the data that are available. Currently, there is limited quantitative data available on chronic poverty in South Africa although many qualitative and participatory studies have drawn attention to the persistence of poverty. The KwaZulu-Natal Income Dynamics Study (KIDS) undertaken in 1993 and 1998 remains the only relatively large sample survey that contains sufficient information for a detailed analysis of poverty trends using a 'time spells' approach, or the information required for an econometric analysis of poverty 'trajectories'. In much of the qualitative work analysed in this paper, a 'trajectories' approach is followed, whereby poor people describe their current situation by referring to their future prospects. In the quantitative analysis, chronic poverty has had to be defined in terms of current income levels. However, guided by Carter and May (2001), those who are well below a poverty threshold have also been found to be those least likely to escape poverty. Thus, poverty analysts have resorted to the well-established approach of using a second and lower poverty threshold (Lipton, 1983). In the case of most of the quantitative data reported in this paper, the chronically poor are taken to be those who earn less than 50% of the selected poverty line (also known as the 'ultra-poor'). The non-poor are taken to be those who earn more than 150% of the selected poverty line. In cases where the data

from the KIDS study has been analysed, use has been made of Carter and May's (2001) category of structural poverty. This refers to households in which available assets are consistently insufficient to generate an income that is above the poverty threshold and in which there has been no accumulation of assets over time.

### **3. Sources of quantitative and qualitative data on poverty amongst older people**

#### **3.1 Censuses 1996 and 2001**

Official census data is perhaps the most common and most important data source in any country. In the case of South Africa however, as with most of the other data collected during the latter period of the apartheid regime, the Censuses of 1985 and 1991 were deeply flawed. This was due to a combination of inadequate planning, design inefficiencies and poor implementation. Census 1996 attempted to rectify these problems and, although not without controversy, offers perhaps the best data available since the 1970 Census. The Census micro-data is in the public domain both as a 10% sample and in full. Controversially, however, Stats SA decided to levy a substantial charge for these data and it has been argued that this has limited their use. The most recent census in 2001 is scheduled for release in early 2003 and will hopefully address some of the concerns relating to under-enumeration that were raised in Census 1996. In addition, early indications are that the cost of acquiring the data will be minimal.

The results of the 1996 Census reveal that the South African population amounted to some 40.6 million, which was estimated to have increased to 43.3 million by 1999 (Stats SA, 2001:13). Just under 78% of the population are African, 9% Coloured, 2.6% Indian and 10.5% are White.<sup>3</sup> The non-urban areas of South Africa have a population of some 18.7 million people, or 46.1% of the country's total population. Finally, the Census shows that there are 1.94 million people 65 years and older (5% of the total population), of which 61% are women, 68% are African and 22% are white. The majority of African older people reside in rural areas (69%).

Both the Census 96 and the most recent census held in 2001 contain information on the situation of older people in South Africa. Data was gathered on work, health and access to services, and a crude measure of household and individual income was also collected. Although a number of reports have been published on different aspects of the census, a specific study on older people has not yet been released. Nonetheless, the 10% sample of the census is available at a number of institutions, and the data can be analysed further using a conventional statistical package. In the case of this report, some analysis was undertaken of the 10% sample using STATA v.6 and SPSS v.9.01.

#### **3.2 Official sample surveys**

An underutilised but important source of data in South Africa are the annual October Household Surveys (OHSs) completed between 1994 and 1999, at which time they were

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<sup>3</sup>/ The population group categorisation used in official statistics has been adopted in this paper (Stats SA, 2001:9).

replaced by the Labour Force Survey (LFS). The OHS was a large cross-sectional sample of about 30,000 households in most years, provincially representative and using a multi-purpose questionnaire. Based on the World Bank's Living Standards Measurement Surveys (LSMS), the OHS provides useful insight as to the demographic, social and economic circumstances of older persons, and the living conditions of the households in which they reside. Most of the OHS micro-data is in the public domain and is available at a nominal charge. For the purpose of this paper, a summary report prepared by Stats SA has been used that presents data from all six OHSs. In addition, to provide more detail of older persons, the two most recent OHS datasets (98/99) have been combined to yield a sample of some 27,000 people, 50 years of age and older. When weighted, these data sum to some 5.5 million people in these age cohorts.<sup>4</sup>

### **3.3 Other sample surveys**

Few nationally representative socio-economic datasets exist, and very few are in the public domain. The Project for Statistics on Living Standards and Development (PSLSD) conducted by the University of Cape Town in 1993 was the first integrated survey to cover all South Africans. The study, widely referred to as the SALDRU survey, collected information from some 9,000 households and has been widely used for research and policy analysis. Although largely made redundant by the larger OHS surveys that adopted many of the questions used in the PSLSD, the study continues to form a benchmark for analysis.

A number of provincial surveys have been undertaken that also contain data that can be interrogated from the perspective of older persons' poverty. For example, the provincial government of KwaZulu-Natal has conducted two income and expenditure surveys, the first in 1992 and the second in 1999. In the first, 61 survey sites were selected to represent urban and rural areas, and about 200 households were selected in each district in July 1992. The final sample comprised 5293 households containing 35748 people. However, as is the case with most surveys of this nature, the micro-data is not publicly available and the summary reports are not sufficiently detailed to permit analysis of the situation of specific age groups. In addition, due to the cost constraints imposed on research of this nature, many of these studies suffer from methodological shortcomings and it is often difficult to assess the scale and nature of these problems.

Where appropriate, this report has made use of the findings of a number of specific surveys on older people. One such example is the Multidimensional Survey of Elderly South Africans (1990-1991) that was undertaken by the Human Sciences Research Council and the University of Cape Town's Centre for Gerontology. Although dated, this study contains detailed information not available in other studies. Unfortunately, the sample of 1200 excludes the former 'independent' bantustans of Transkei, Bophuthatswana and Venda, limiting the usefulness of this study.

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<sup>4</sup>/ The 'weight' command in Stats has been used to calculate all weights in this report using the variables PERSWGT and WGT4 from the two surveys. In each case, the weighting variable was divided by 10000 to yield a population count, and in the case of the 1998 data, PERSWGT has been adjusted to reflect the estimated population used for the 1999 weighting.

An important source of data on chronic poverty in South Africa that is in the public domain is the KwaZulu-Natal Income Dynamics Study (KIDS) undertaken by the University of Natal, International Food Policy Research Institute and the University of Wisconsin-Madison. This panel study of 1400 households resurveyed the same households in 1993 and 1998. The study achieved internationally comparable attrition rates, and was a representative survey of African and Indian households in the province of KwaZulu-Natal.<sup>5</sup> The value of this survey lies in the fact that it permits the identification of movements in and out of poverty for at least the two points in time at which data were collected. The data from this survey have been in the public domain since 2000 and have been analysed for a variety of purposes, although ageing has yet to receive attention.

Finally, in the Western Cape, the Langeberg Integrated Family Survey conducted by SALDRU at the University of Cape Town contains modules that focus specifically on the position of older people. The study was undertaken in the second half of 1999 in the Langeberg health district of the Western Cape province of South Africa. This area comprises three magisterial districts of Mossel Bay, Heidelberg, and Riversdale. Information was collected from a stratified sample consisting of 294 households (103 African; 126 Coloured; and 65 White) by means of four questionnaires: one directed at 121 adults of 55 years and older; one at 573 younger adults between 18 and 54 years of age; and two focused on health (including anthropometric measurements) of 812 adults and 294 children. Recently placed in the public domain, this survey promises to yield important findings.

### **3.4 Ethnographic studies**

The above data have been supplemented by information collected by a large number of local qualitative studies and a limited number of national participatory poverty assessments and testimonial studies. The 1996/7 South African Participatory Poverty Assessment (SA-PPA) was a national study that used Participatory Rapid Appraisal (PRA) methodologies. The objective of the SA-PPA was to provide a fuller and more integrated understanding of poverty from the perspective of those who are poor, and to fill the gaps that a quantitative study such as the PSLSD cannot readily explain. In particular, the multi-dimensional experience of being poor, and the perceptions of “the poor” towards the causes and relief of their poverty could not be assessed from the available data in the PSLDS and the subsequent cross-sectional studies.<sup>6</sup>

The approach that was adopted by the SA-PPA reflected a recognition of the wealth of experience that already existed in South Africa at the time of the study in terms of participatory forms of research and development. As such, it was decided that contracting researchers and research organisations to undertake research in pre-determined areas would not be an appropriate approach. Instead, NGOs, CBOs and academics who had been involved in poverty research, and in ‘on-the-ground’ development initiatives, were invited to submit proposals for funding in order to build on their existing work.

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<sup>5</sup>/ See May *et al.* (2000) for a more detailed account of the KIDS methodology.

<sup>6</sup>/ See May and Norton (1997) for a more detailed account and summary of the SA-PPA.



Eventually, the SA-PPA included 15 studies and involved some 45 researchers from 20 organisations. Work was undertaken with 25 communities, ten of which were located in KwaZulu-Natal, seven in the Eastern Cape and four in the Northern Province. The study covered sites in seven of the nine provinces of South Africa, excluding Gauteng and the Free State. Judging the actual number of participants in the studies is difficult, since a large group does not necessarily imply that all who attended the workshops and meetings actually participated. Nonetheless, a rough estimate suggests that the SA-PPA included about 1400 people.

It is not possible to list all of the smaller studies that have collected data on older people, although reference is made to almost all of these studies in the paper and they are listed in the references. Most collected information from key respondents interviews or in-depth interviews, although a few used participatory appraisal methods. Although useful in formulating questions concerning older people, the rigour of many of these studies is difficult to determine. Nonetheless such studies are invaluable in their analysis of the dynamics and experience of poverty among older people in South Africa.

## **4. The extent and distribution of poverty amongst older people**

### **4.1 The size and growth of the older population**

The size and expansion of the older population in South Africa has recently received increasing attention among researchers. Ferreira (1998) reports that the pattern of population ageing in South Africa is that of a developing country. In 1995, between 5% and 6.3% of the African, coloured and Indian population were 60 years and older. At this time, more than a third of the total population aged 60 years and over was in the 60-64 year age bracket, which indicates the future exponential growth of the older section of the population (with females more numerous than males in all age brackets). According to modelling prepared by the UN Population Division, 4.6% of South Africa's population would have been 60 years of age and above in 2000, rising to 12.1% in 2050, and 0.6% would have been 80 years of age and above in 2000, rising to 2.2% in 2050 (UN Population Division, 1999). This makes South Africa one of the most rapidly ageing populations in Africa, although Ferreira (2000) does note that the proportion of older persons in the African population is expected to increase only slightly in the next 30 years, in contrast to larger increases in the other racial groups.

Using the 10% sample of the 1996 Census, Table 1 indicates the number of people who fall into the different cohorts, compared to the estimated number in each age cohort for 1999.<sup>7</sup> According to the Censuses, there were some 5.1 million older people in South Africa in 1996, increasing to an estimated 5.5 million in 1999. Just under 60% (3 million people) fall into the 'near old' group, suggesting that meeting the needs of older people is an emerging priority for public, private and civil action over the next decade. Already over the three-year period between the Census and the OHS99, the proportion of people in the 64-73 year age group had risen from 25.8% of the total population of older people to 26.5%.

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<sup>7</sup> For all tables that use the Census 96 data, the 10% sample has been used, using the 'weight' command in SPSS and the PERWGT variable. The full Census produces an almost identical result of 5164031 people in these age groups.

**Table 1: Size of Older Population (1996 and 1999)**

Age Groups	Census 96	% of Total Older Population	OHS 99	% of Total Older Population
50-63	3,057,304	59.2	3,244,119	58.9
64-73	1,334,048	25.8	1,462,310	26.5
74-83	605,842	11.7	626,168	11.4
76+	166,004	3.2	177,987	3.2
<b>Total</b>	<b>5,163,198</b>	<b>100</b>	<b>5,510,584</b>	<b>100</b>

Table 2 shows the breakdown of the age cohorts used for this study by race using the 1996 Census.<sup>8</sup> 67% of older people are African, and 21% are white. Coloured and Indians make up just 0.5 million people, or 11% of the older population. A smaller proportion of older Africans and whites tends to be in the younger age groups, while 71% of older Indians are in the ‘near-old’ group. This reflects both the lower life expectancies faced by the Indian population in the past, as well as demographic changes that have occurred more recently.

**Table 2: Distribution of Older Population by Race (%) (1996)**

Race	50-63	64-73	74-83	84+	Total
African	59.1	26.3	11.6	3.1	3,452,718
Coloured	65.9	23.2	8.5	2.4	421,045
Indian	71.3	20.5	6.9	1.3	152,457
White	55.5	26.2	14.2	4.2	1,097,850

## 4.2 Estimated extent of chronic poverty amongst older people

As already implied, measuring the extent of chronic poverty in South Africa presents a number of significant challenges. Ideally, panel data in which movements into and out of poverty can be tracked would provide the necessary information for a ‘time-spell’ approach. However, only the KIDS survey provides such data, and this information is confined to KwaZulu-Natal. Detailed expenditure data for South Africa are available from the 1995 Income and Expenditure Survey (IES), and in the near future the 2000 IES should be made available. Although not a panel study, these new data will permit more up-to-date and accurate estimates of the extent of poverty in South Africa, as well as trends in poverty reduction.

Data such as these permit the development of a consumption-based poverty line or poverty threshold, and have been used to calculate the extent, distribution and severity of poverty. Using the KIDS panel data, Roberts (2001) and Carter and May (2001) adopt different methodologies to distinguish those that move in and out of poverty (perhaps best described as the vulnerable) from those that are structurally poor. Both analyses suggest that while

<sup>8</sup>/ For the purposes of this study, the racial categorisation used by Stats SA, the source of all official statistics, have been followed. The category ‘Griqua’ that was used in some OHS surveys has been merged with the category ‘Other’ for consistency with other studies.

some 40-50% of South Africa's population can be described as poor, around 20-25% of the sampled African and Indian population in KwaZulu-Natal can be thought of as being chronically poor in terms of either a 'time-spell' or 'trajectories' definition.<sup>9</sup> Furthermore, despite a 50% chance of upward mobility from the poorest to the next expenditure class, Carter and May (2001:1998) calculate that about 75% of those measured as being ultra-poor (earning less than 50% of the poverty line) in 1993 would still be below the poverty line in 1998. Operationally then, it seems reasonable to assume that the ultra-poor are likely to also be chronically poor, in terms of the definitions discussed at the beginning of this report.

Arguing that different methodologies lead to a wide divergence of possible poverty lines, Woolard and Leibbrandt (2001) use a range of thresholds to provide a rigorous analysis of poverty in South Africa.<sup>10</sup> Consistent with other estimates of poverty in South Africa, they conclude that some 40-50% of South Africans can be categorised as poor, while 25% can be categorised as ultra-poor (below 50% of the poverty line). They also find that the poverty rate is far higher in rural areas than in urban (65% of individuals compared to 22%), and that 27% of rural dwellers are ultra-poor and likely to be chronically poor. In urban settlements, just 7% of the population fall into this group and as a result, 78% of those likely to be chronically poor are located in rural areas (Woolard and Leibbrandt, 2001:59-60). Once again, in line with other studies, a far greater proportion of rural individuals are poor, making up almost 80% of those who are poor although the rural population comprised 48.8% of the population in 1996. Households headed by women are also more likely to be poor than households headed by men, while the Eastern Cape consistently emerges as the poorest province in South Africa, containing 27% of those likely to be chronically poor. KwaZulu-Natal and Northern Province account for 19% and 17% of the chronically poor respectively.

Aliber (2001:33-40) distinguishes a number of groups who can be described as being chronically poor and attempts to estimate the size of each. Using Roberts' (2001) estimate, Aliber concludes that approximately 950,000 rural African households are chronically poor and estimates that another 50,000 rural Coloured households are also in this category. Just under 770,000 African female-headed households are calculated to live in chronic poverty and around 250,000 female-headed households of all races are thought to be in chronic poverty in addition to those among the rural poor.<sup>11</sup> A further 38,000 disabled-headed households are chronically poor. In terms of estimating the number of older-headed households, Aliber is on less certain ground, but suggests that some 378,000 fall into this category, although there is obviously substantial overlap between this group and the three already mentioned. Aliber (2001:40) concludes that in 2000, at least 18% to 24% of all

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<sup>9</sup>/ Both methodologies require the calculation of some poverty line or threshold below which households and individuals can be categorised as being poor. While not without conceptual difficulties, the construction of the poverty line in the two studies is similar, in that monthly household expenditure is used rather than income, adjustments are made for the size and composition of the household as well as for local price changes. The poverty lines used are thus expressed as 'adult equivalents' rather than in terms of per capita consumption.

<sup>10</sup>/ For most of their analysis Woolard and Leibbrandt (2001:56) settle on the Household Subsistence Level and \$1 a day 'International' line (R3509 and R2200 per annum per adult equivalence in 1995 Rand). The latter may be thought of as the ultra-poverty line.

<sup>11</sup>/ Aliber (2002:34) is careful to note that these are very rough estimates intended only to give some notion of the scale of chronic poverty in South Africa.

households in South Africa were chronically poor or highly susceptible to chronic poverty, a total of some two million households. By 2010, he suggests that AIDS may contribute to the chronic impoverishment of 26%-33% additional households, bringing the total share of chronically poor households to 24%-30%.

Until the 2000 IES is released, the most recent data for analysis remains the 1998 and 1999 OHSs already discussed. Table 3 uses a poverty threshold as described above, and again assumes that those who earn less than half the poverty line are likely also to be chronically poor. It must be cautioned that although the OHSs did gather information on household expenditure, both ranges and raw values could be reported.<sup>12</sup> For the sake of consistency, raw values have had to be coded into the ranges that were used. As a result, a per capita or adult equivalence poverty line is not possible and instead a threshold of R800 per household per month has been used.<sup>13</sup> The following table shows the poverty rates for the different age categories and shows a range of poverty measures from half of the selected poverty (0.5PL) to more than twice the poverty line (+2PL).

**Table 3: Poverty Rates by Age Category**

Poverty Measure	Not old	50-63	64-73	74-83	84+	Total
0.5L	28.0	25.5	24.8	23.5	25.1	27.6
PL	30.0	27.4	32.4	31.2	29.7	29.9
1.5PL	14.2	13.7	13.7	14.0	13.4	14.2
2PL	7.6	7.7	6.8	7.1	7.7	7.6
+2PL	20.1	25.7	22.4	24.1	24.1	20.7

The results of these data are reassuringly similar to those found using the KIDS study and to Aliber's adjusted estimate. The table shows that while 28% of the total population live in households earning less than half a poverty line of R800 per month, a marginally smaller proportion of older households fall into this group. Thus, these data suggest that of the estimated 11,658,000 people categorised as being chronically poor in 1999, 1,347,000 (12%) are older people 50 years of age and more, with some 43,000 'frail old' people 84+ years of age defined as chronically poor. Put another way, one quarter of all older people can be expected to be chronically poor in terms of the poverty line that has been used.

Given the national profile of poverty, it would be expected that there are significant differences between the poverty profile of African and white older people as is shown in Table 4.<sup>14</sup> One-third of Africans can be thought of as being chronically poor compared to

<sup>12/</sup> Other limitations include the collection of only total expenditure rather than an itemised list of goods, no attempt to correct for price differences between 1998 and 1999 and no adjustment for household economies of scale. On the positive side, these results are comparable with Stats SA's mapping of poverty in South Africa and the type of data gathered in the 2001 Census.

<sup>13/</sup> This follows Stats SA's (2000:2-3) analysis of poverty in South Africa using the Census and 1995 IES.

<sup>14/</sup> For the sake of clarity, in this and in a number of other tables in this report, the data refers only to the white and African population groups. This is not intended to imply that chronic poverty is insignificant among the coloured and Indian populations, and it is appreciated that pockets of extreme poverty have been identified in the Indian population, while there is wide-spread poverty and deprivation among the coloured population especially in rural areas. However, in many cases the specific condition of chronic poverty in these population groups is lost when examining data from national surveys.

just 7% of the White population, with the result that Africans make up almost 90% of chronically poor older people. This implies that poverty among older people is even more concentrated in the African population than is the case for poverty more generally. As in the total population, chronic poverty does not seem to increase across age groups, although the poverty rate does increase.

**Table 4: Poverty Rates of Africans and Whites**

<b>Poverty Measure</b>	<b>Not old</b>	<b>50-63</b>	<b>64-73</b>	<b>74-83</b>	<b>84+</b>	<b>Total</b>
<b>African</b>						
0.5L	32.6	33.1	32.6	31.2	31.7	32.6
PL	34.0	34.2	39.8	39.8	36.2	34.3
<b>White</b>						
0.5L	7.5	7.0	4.9	7.1	12.3	7.3
PL	9.1	9.6	11.6	12.5	12.6	9.5

### 4.3 Gender

The following table derived from a combination of data from the 1998 and 1999 OHSs shows the gender breakdown of the age cohorts used for this study, as well as the sex ratio for the age cohort.

**Table 5: Gender Breakdown of Older People**

<b>Age Groups</b>	<b>Male</b>	<b>Female</b>	<b>Sex ratio (male/female)</b>	<b>% Male Chronic Poor</b>	<b>% Female Chronic Poor</b>	<b>Total</b>
50-63	62.5	56.6	0.81	24.7	26.1	59.1
64-73	24.7	26.8	0.68	24.1	25.2	25.9
74-83	10.3	12.8	0.59	21.9	24.5	11.8
84+	2.4	3.8	0.46	28.9	23.0	3.2
Total	2182435	2980763	0.73	18.6	20.2	5163198

In all age groups, there are greater numbers of women than men, and not surprisingly this proportion increases in the higher age groups from 55% for the ‘near old’ category to almost 69% of the ‘frail old’. Correspondingly, a far larger number of women are to be found in the older age groups than men, with almost 0.5 million women 74 years of age and above compared to 0.28 million men in the same age groups. Thus, while 63% of older men are in the 50-63 age group, 57% of women are in this group and almost 17% are 74 years of age and above.

In terms of the socio-economic implications of this demographic feature, Aliber (2001) notes that 42% of all African households are female-headed. In most cases he suggests that these can be considered single-parent households, although it is possible that they may occasionally receive remittances from absent males. In 35% of these households, the

household head is the only adult (18 years and older) in the household. Significantly, around 17% are ‘granny households’, that is to say, the female household head is the grandmother rather than the mother of the children.

#### 4.4 Geographic and social distribution

Turning first to the spatial location of older poverty, 19% of the total urban population could be categorised as chronically poor compared to 38% of the rural population. In urban areas, the poverty rate among older people tends to be lower than among the rest of the population and declines at higher age groups to 14% of the ‘frail old’ group. In rural areas, this trend is not as clear, although household poverty does appear to be marginally less for the older age groups. In terms of the provincial distribution, Table 6 shows the percentage of the population in each age group that are categorised as chronically poor in terms of consuming 50% of the poverty line or less.

**Table 6: Provincial Distribution of Chronically Poor People (%)**

Province	Not old	50-63	64-73	74-83	84+	Total
Eastern Cape	33.9	32.8	30.7	29.0	27.5	33.6
Free State	34.0	32.9	29.3	29.9	29.1	33.7
Gauteng	19.8	17.8	15.8	16.9	13.3	19.4
KwaZulu-Natal	25.1	22.7	20.6	18.4	23.6	24.7
Limpopo	39.0	37.9	34.8	33.1	35.8	38.6
Mpumalanga	29.5	27.7	28.6	30.3	29.7	29.4
North West	31.4	29.5	32.3	27.0	23.9	31.2
Northern Cape	25.7	24.5	19.6	15.0	16.6	25.2
Western Cape	12.3	8.8	7.7	6.0	9.2	11.7
<b>Total</b>	10,310,735	805,480	355,399	143,277	43,156	11,658,047

The data show that the distribution of chronic poverty largely follows the distribution of the national poverty profile, with the Limpopo Province, Eastern Cape and Free State being the poorest areas, while the Western Cape and Gauteng are the least poor. In terms of chronic poverty and ageing, it is noteworthy that in most provinces, poverty is higher for those who are not old, or are in the ‘near old’ group, although in some provinces such as KwaZulu-Natal, Mpumalanga and Limpopo, this trend is not very strong.

Analysing the vulnerability of different social classes is possible using the large datasets, although this is a difficult task and beyond the scope of this report. Nonetheless, previous studies have identified a number of groups who are at risk. Farmworkers have often been identified as a particularly vulnerable group in research on poverty in South Africa. In an exploratory study of the living circumstances of 181 older persons from three towns in the Western Cape, Ferreira (1998) conducted structured questionnaires and case studies among people who had previously lived and worked on farms in the area. Key findings of the study revealed that although living conditions had improved for farm workers, lack of security of tenure, inadequate accommodation, and insufficient incomes to meet living

expenses were still major problems. While the ‘dop’ system whereby farmers were paid with wine in lieu of wages, widely practised in the past, had largely been eradicated, the health and cumulative effects of this system were acknowledged as being detrimental. No one had been evicted from farms once they reached pensionable age, but in the majority of cases, workers received no retirement payment or pension from their employers. It was also found that there is a lack of suitable alternative accommodation for retired farm workers who relocate from farms, resulting in displacement and vulnerability. However, other qualitative studies have reported that “if a farm-worker was too old or unable to work they were chased off the farm” (Wood, 1995), suggesting that the experience varies by area and by the specific conditions on each farm.

Surprisingly, some studies have shown that older people continue to engage in migration and that older migrants are also particularly vulnerable. According to Sagner (1997), older citizens in the Western Cape have participated in the recent rural-urban migration, albeit on a somewhat smaller scale (only 2% of migrants from the Eastern Cape were older than 60 at the time of leaving). As these people generally do not intend to move back to a rural area, this old age migration pattern has serious implications for service provision. It appears that regional differences in the availability and quality of health services, a lack of access to the pension system and the poor quality of physical infrastructure in rural areas all play a dominant role in the decisions for out-migration. Recent movement patterns have been dominated by intra-urban mobility, particularly for older citizens. Over 20% of all older persons have moved within the greater Cape Town area in recent years, commonly for access to safe and better housing. Cases of return migration in old age appear to be rare (only 16% of those aged 60 years and over favoured a place in the Eastern Cape as their retirement residence). Urban-rural visits appear to be motivated largely by the search for security, both in a material sense as well as a future-oriented strategy to secure care by kinfolk in case of deteriorating health. The participation rate of older people in intermittent urban-rural migration appears to be significantly higher than that of their younger counterparts. From this research it appears that older urban households are often part of an integrated urban/rural nexus.

#### **4.5 Severity and persistence of poverty amongst older people**

Although technically it would be feasible to measure the depth and severity of poverty among older people using established methodologies such as those reported by Woolard and Leibbrandt (2001), no published study has undertaken this work. Certainly this would be an interesting exercise and could draw attention to the hardship faced by some groups within the older population. This is a possible research question for future analysis.

The analysis by Carter and May (2001) using the KIDS study does permit a breakdown of dynamic poverty measures according to age group. Using a ‘trajectories’ notion of poverty, Carter and May refer to five groups:

- the *structurally poor*, who lack the assets to generate sufficient income not to be poor, and who have not succeeded in accumulating assets over time;

- the *sometimes poor*, who have sufficient assets to generate an income sufficient not to be poor, but who may fall into poverty for a ‘time-spell’ due to misfortune or some other cause;
- the *structurally upward*, who are succeeding in the accumulation of assets to work their way out of poverty;
- the *structurally downward*, who are losing assets due to misfortune or life-cycle events and may become poor in time; and finally,
- the *never poor*, who have sufficient assets to generate an income above the poverty threshold and have succeeded in doing this on a permanent basis.

The distribution of older people between these dynamic poverty groups is shown in Table 7.

**Table 7: Dynamic Poverty Measurement by Age Group (%)**

Dynamic Poverty Measure	Not old	50-63	64-73	74-83	84+	Total
Structurally poor	20.3	16.3	19.1	17.1	23.7	19.9
Sometimes poor	8.3	7.1	11.4	11.6	13.2	8.4
Structurally upward	5.0	4.1	5.0	5.4	2.6	5.0
Structurally downward	25.2	20.0	23.3	28.7	31.6	24.8
Never poor	41.2	52.5	41.1	37.2	28.9	41.9

*N=10510*

Just under 20% of the sample were living in households categorised as being structurally poor, with no clear trend apparent across age groups. Of interest though is that the proportion of the ‘sometimes poor’, those who are vulnerable to poverty, and the ‘structurally’ downward groups increase in the older age groups, while the proportion who are never poor falls from 41% to below 30% of the sample.

As Table 8 shows, there are also gender differences when the data for the group 60 years and older is analysed.

**Table 8: Dynamic Poverty Measurement by Gender (64 years and above)**

Dynamic Poverty Measure	Female	Male	Total
Structurally Poor	18.1	20.6	18.9
Sometimes Poor	12.1	10.6	11.6
Structurally upward	3.8	7.2	5.0
Structurally downward	26.9	21.7	25.2
Never poor	39.0	40.0	39.3

*N = 544*



While 21% of those men 64 years and older were living in households that were categorised as structurally poor, a slightly smaller proportion of women were categorised in this group. However, a larger proportion of women are found in households categorised as sometimes poor or as being structurally downward. This suggests that although fewer women may be living in households that are chronically poor, more women are vulnerable than men, and have less prospect of being on an upward trajectory in terms of access to, and use of, assets.

#### **4.6 Experiences and perceptions of poor older people**

Studies on the experiences of poor older people reveal a number of common features. For example, Ferreira *et al.* (1995) show that older rural dwellers had a lower education level and poorer health status, and that fewer received a government pension, than their urban counterparts. Yet, more older urban dwellers (particularly women) were depressed, felt less respected by the family, and were far less satisfied with their living arrangements than were rural dwellers. Older Africans living in urban areas may feel distanced from traditional values and systems, and experience feelings of alienation.

This multi-dimensional survey found older Africans' life satisfaction to be mainly influenced by basic factors such as health, housing and income. Self-reported good health significantly contributed to their subjective well-being. However, a lack of money, poor health, poor access to health care, memory loss, depression and a fear of being robbed were the most serious problems affecting the quality of life of more than three-quarters of older Africans.

Older Africans have on average four living children and more than four-fifths feel that their children respect them, although over three-quarters feel that younger people today show less respect to older people than in the past. Of interest is the fact that fairly similar percentages of older Africans give financial support to their children as receive it.

Møller (1993) highlights the huge differences in the living conditions of older populations, finding that white old South Africans tend to conform to first world lifestyles and live separately, whereas the majority of Indian, coloured and African older persons live in multigenerational households. Care and financial security for Africans were cited as the most important benefits for the old living in co-residence. Both child and parent needs seem to be met in co-resident households, particularly when taking into account the pressures of housing and finances. Co-residence facilitated intergenerational financial exchange, which tended to favour the old. However, overcrowding in urban areas was the main cause of dissatisfaction amongst the old. The study concludes that the extended family was an important safety net for the old.

### **5. The causes of poverty amongst older people**

#### **5.1 The changing nature of work and income generation**

For this paper, work is defined as including all activities that make up the livelihood of a household, and includes formal employment, informal employment in non-farm activities,

agricultural work including subsistence, as well as unpaid work including childcare, the collection of wood and water and the preparation of food.

Although some studies have tried to look at the micro-economic circumstances of the formal economy, comparatively little analytical work exists on the functioning of markets used by the poor. In an effort to dig beneath the poverty statistics that characterised immediate post-apartheid South Africa, Carter and May (1999) used the data from the 1993 PSLSD to analyse two proximate forces that underlay those poverty rates:

- access to assets/endowments; and
- constraints to the use of those endowments.

By using flexible econometric methods to identify the mapping between household assets and well-being, Carter and May identify those asset bundles that mapped into livelihoods above the poverty line given the market structure in place at apartheid's end. Although this analysis refers to African and Indian households of all ages, their analysis uncovers three dimensions of the poverty problem that are applicable to the current study:

- Returns to uneducated labour are so low that claims on other economic or social assets are necessary to lift a family above the poverty line. As the analysis in this paper will show, functional illiteracy is higher among the chronically poor, and increases in older groups, especially for rural Africans.
- The topography of the livelihood map identifies financial constraints that limit the poor's ability to effectively utilise productive assets and endowments (e.g. land). Poverty is thus not only a matter of few assets, but also of constraints to effective use of those assets, including access to necessary complimentary assets. This is especially important for people preparing for retirement since the limitation is both on access to savings facilities as well as credit.
- The burden of meeting basic needs, especially water and fuelwood collection in rural South Africa, creates a "time poverty" that further constrains households' ability to effectively employ those resources to which they do have access. As discussed below, older persons continue to perform these activities well into old age, and this work may often be essential in freeing up others to undertake productive activities.

In a later paper, Carter and May (2001) go on to identify the impact of shocks as an additional factor preventing households from 'getting ahead' due to the loss of income and assets that result. This analysis usefully directs attention to events that might occur during the period of 'near old-age', in which the loss of assets built up over the economically active ages could have a potentially devastating impact upon future well-being. Access to risk-reducing measures such as insurance, savings and information emerge as important issues for poverty reduction and are especially pertinent for the 'near old'. Issues for further analysis include the impact of unemployment, both in terms of the time taken to find new employment, and the prospect of early involuntary retirement due to retrenchment. Domestic workers are a potentially vulnerable group in this respect, as are farmworkers and other unskilled labourers.

Access to the government OAP is a potentially mitigating factor against this vulnerability, as the certainty of the entitlement both offers assistance in times of need, and might affect the behaviour of the ‘near old’. Some have gone so far as to argue that the prospect of the pension may ‘crowd out’ private saving for old age. Table 9 shows the proportion of older people in each age group who are in receipt of the OAP categorised by poverty group.

**Table 9: Poverty and Receipt of Government Pension**

<b>Poverty Line</b>	<b>60-63</b>	<b>64-73</b>	<b>74-83</b>	<b>84+</b>	<b>% in group</b>
0.5 PL	37.6	79.5	89.7	90.3	70.2
PL	44.5	80.1	92.6	95.6	74.9
1.5 PL	39.1	78.7	87.6	91.5	69.9
2 PL	33.5	65.1	74.0	89.6	59.2
2+ PL	21.8	49.7	60.0	72.4	45.6
<b>% in age group</b>	27.6	58.0	82.4	84.2	58.0

The data show the rapid up-take of the OAP in all age groups, and for all poverty groups. Only in the highest income group did less than half of the population have access to the OAP, and even in this group, 72% of the ‘frail old’ were receiving an OAP.

Investigating the livelihoods of older people, Møller and Sotshongaye (1996) employed ethnographic methods of research, and found that the OAP enhanced the self-respect of older women who prided themselves in their economic self-reliance and creditworthiness. Caring for the family instilled a strong sense of purpose in everyday life. Grandmothers derived pleasure and self-esteem in pension-sharing, but were also frustrated that their own needs were neglected in the interests of family welfare. Pension-sharing was found to also disempower those pensioners who are prevented from contributing regularly to stokvels and burial societies. Many hoped to increase the sources of income for the family so that they might in future enjoy a larger share of their pension earnings. However, the women were adamant that unless family needs were met, they did not feel that they were entitled to use their pension money for their personal needs. Pension monies were seen as a gift rather than earnings, and respondents used the metaphor of the government as a ‘husband’. That is to say, government transfers are seen to take over from where remittances from husbands left off.

Møller and Sotshongaye find that the only source of income in one-third of the households interviewed was a pension income, with between nine and 12 persons dependent on a state OAP. With the exception of a grandmother who stated that she and her family were ‘scraping an existence’, all indicated that they were ‘making ends meet’ but had ‘no luxuries’. As an example, one grandmother was supporting seven orphaned grandchildren on her pension. Others were caring for physically or mentally disabled children or grandchildren.

The study found that pensioners regarded the pension as individual rather than family income, although pension-sharing was the norm. The sharing of pension income with other members of the household explains why pensioners tend to see themselves as ‘poor’, in spite of the fact that they may have a higher monthly income than at any other time of their

lives. It was found that pensions act as a magnet for economically weaker family members who form multigenerational households around female pensioners. The study found only scattered references to situations where the state-supported financial independence of grandmothers had 'crowded out' remittances from sons. The OHS data show that 7% of older persons were receiving an income from family members, although this figure declines as age increases, and in the case of Africans, falls from 11% of the 50-63 age group to 4% of the 'frail old'.

Using the 1995 Western Cape Community Housing Trust, Sagner (1997) reports on the household characteristics of old and young households, and a comparison of profiles shows that older persons' households in the metropolitan area tend to be larger, more prone to the exigencies of unemployment, and more likely to be sheltered in formal houses in the established townships of Langa, Guguletu and Nyanga than young households. In terms of income, older households tend to be significantly poorer than their younger counterparts. This was particularly true for old age pensioners' households, whose median household and per capita income amounted to R765 and R182 respectively. Sagner describes social pensioners in urban areas as acting like magnets for economically weaker persons, with large numbers of unemployed kinfolk (especially the children and grandchildren of older people) appearing to cluster around old age pensioners who tend to form the core of many urban multigenerational households. This points to the fact that pensions are important redistributive mechanisms, which enable the survival of structurally vulnerable families in urban settings. The study found that the overall majority of adults (72%) of working age in OAP households pursue no income-earning activity (casual or regular), and thus do not contribute to the overall household income. In about half the households with old age pensioners, the latter appear to be the sole source of income.

The SA-PPA also shows that gaining access to pensions appears to be a motivation for spatial and domestic mobility. However, this is not without cost to the older person. As Teixeira and Chambers (1995:82) point out:

From information gained on household structures it is evident that extended families and children of single mothers are often grouped around old age pensioners. Individual interviews established that these pensioners often contribute to the support of young children within the family. One group of old age pensioners interviewed in Patensie described their role as burdensome, claiming that their pension monies are spent on children from teenage pregnancies and transport for children to the high school ...

This was also found in the Møller and Sotshongaye (1996) study of budget accounts which indicated that female pensioners meet their family obligations without fail: basic needs such as food, clothing, educational and health care needs of the children in their care were met. However, the amount of the pension was regarded as being inadequate for family needs, although most of the women had found small but significant ways of increasing their spending power. Perhaps not surprisingly, pensioners who were more satisfied than others with the purchasing power of their pensions typically came from smaller households.

## 5.2 Changing roles within the household and community

Many studies that gather information about the activities of older people suggest that the ideal typology of ageing proposed at the outset of this report does not in fact hold for many older people. A wide range of roles have been identified in which older people feature as prominent actors, including:

- providers of informal and traditional health-care;
- carers for sufferers of terminal disease and their dependants (as the prevalence of AIDS escalates, this role is set to become increasingly prominent);
- child-carers for employed family members with children; and
- custodians of traditional values.

In a study of 100 women drawn from lunch clubs in four areas of Cape Town, Burman (1995) examines the role played by older women in the care of children. A large percentage of the women cared for children after school or crèche, through force of circumstance rather than choice. Pensions were often the only source of income in the family: many of the interviewees provided child-care without payment in cash or kind, and a quarter made accommodation available to the family without financial assistance. However, strong bonds within the family structure meant that the old played an important role in the welfare of the household.

HAI's research in the Limpopo Province provides an indication of the work undertaken by older persons in the household. Older women contribute to the household by helping with harvesting, stamping maize, cutting grass for thatching, helping with the sick and providing income from sources other than a pension, such as working for farmers or weaving and selling mats. The role of older women as preservers of food came out strongly in the report. Some older men contribute by carving stamping blocks, plates, spoons and sculptures for the household or to sell (HAI, 1996).

**Table 10: Collection of Wood and Water**

	Not old	50-63	64-73	74-83	84+
<b>Water</b>					
Chronic Poor	40.1	34.2	28.6	22.0	19.4
Not poor	23.5	17.7	13.2	8.5	7.7
<b>Wood</b>					
Chronic Poor	20.1	22.5	17.8	14.9	14.4
Not poor	10.8	10.0	8.3	5.4	6.2
<b>Likelihoods</b>					
Ratio Water	1.7	1.9	2.2	2.6	2.5
Ratio Wood	1.9	2.3	2.2	2.8	2.3

Table 10 shows the incidence of older people collecting water and wood for the household using the OHS data. The table shows the percentage of people in the chronically poor and non-poor groups who reported that they had fetched wood or water in the last seven days, and also calculates the likelihood of chronically poor people performing these tasks compared to the not-poor.

Not only are chronically poor people more likely to collect wood and water than the not-poor, they are also more likely to continue to perform this work as they age. Indeed, it is alarming to note that almost 20% of 'frail old' people are still collecting water and that chronically poor people in this age group are more than twice as likely to be collecting wood and water than the not-poor. This underscores the economic role that continues to be played by older people into late old age, and shows that chronic poverty implies that the transition from producer to consumer is not an option for many older people. This is also borne out in the SA-PPA (1997:120):

*Ngiyeke ukubamba amatoho ngoba namandla angisenawo.*

*I can stop doing the cheap labour because I do not have the strength.*

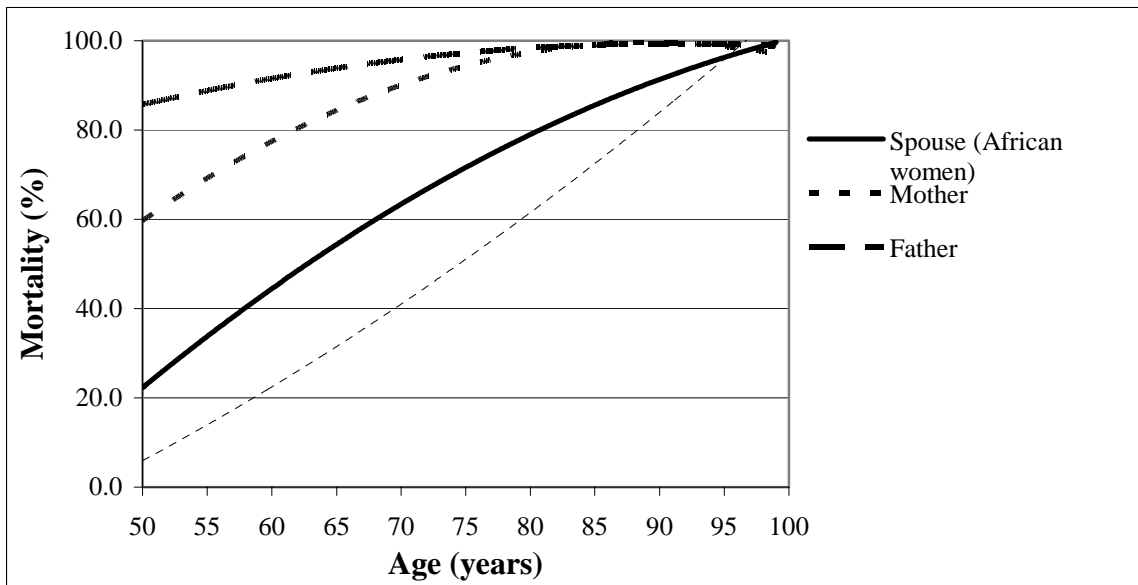
- Mrs. N. Sikhakhane, Nhlangwini Ward, KwaZulu-Natal, 1995.

Mrs. Sikhakhane's neighbour Mrs. Mbongwe stopped doing cheap labour such as the mixing of mud, cow dung and cement at the age of 76.

The loss of family support is another feature of ageing, especially in terms of spouses, siblings and parents. From the OHS data, 31% of those aged 50 years and older do not have a living spouse, with the proportion increasing from 21% for the 'near old' to 64% of the 'frail old'. However, this conceals significant racial and gender differences. Just over 86% of white males still had a living spouse compared to fewer than 40% of African females. Some 80% of African males still had a living spouse and 64% of white females were in the same position. The incidence of spouse mortality is already high for African women in the early age categories compared to all other groups, at 36% for the 50-63 year group, compared to African men at under 8%. For whites, the comparable figures are 15% for women and 6.5% for men. By the time frail old age is reached, 82% of African women had lost their spouse, compared to 76% of white women, 32% of white men and 31% of African men.

Figure 1 shows the mortality rates for the father, mother and spouse of older persons. In order to illustrate this, trend lines have been inserted, and in the case of spouses, the data are shown for African and White women only. Besides the direct cost of funeral expenses that will be incurred, for many people, death may also imply a loss of income from the OAP. As already mentioned at the outset of this paper, the OAP is an important driver in the changing role of older people. In an urban survey, McKendrick and Shingwenyana (1995) support this, suggesting that the OAP serves a dual purpose, enabling the older person to remain in the community as opposed to requiring institutional care, and enabling the urban older person to nurture and support her extended family, including grand-children and unemployed adults. Sanger (2000) argues that this relationship is more complex. While pensioners were financially more self-sufficient, the 'second-hand' money also reinforced their dependent status, as it heightened the moral pressure on them to furnish certain services such as care of grandchildren and support of unemployed family members.

**Figure 1: Age Specific Mortality of Father, Mother and Spouse**



Ferreira (1998) goes on to suggest that particularly amongst African rural, female-headed households, the impact of the grant on the household income is significant. Heslop *et al.*'s (2000:10) participatory approach confirms that this is the perception of older persons, and that older women tend to allocate a larger proportion of their income to such expenditure than do older men. Ferreira *et al.* (1995) also estimate that in rural areas the old age pension is two or three times greater than the rural per capita income. Moreover, the receipt of a pension is often the most important, secure source of income for older Africans and their households. Although the OAP is claimed by poor, typically three-generation households, it is largely consumed as a household asset.

In support of this, Ardington and Lund (1995) found that 85.1% of pensioners live in three-generational households, suggesting that pensions benefited a far wider segment of the population than the 4.5% of the population who received them. Ardington and Lund also find that pensions play an economic and social role, making a substantial difference to the levels of living in African households in poverty, except for the very poorest. The poorest of the poor are noted as being in that position partly because of their poor access to pension money. Two particular vignettes that the authors outline are of interest when considering the impact of the grants. In one example, the old age pension enabled an older person's relatives to live close to work opportunities; in another, the use of pensions as support for the development of micro-enterprises is outlined when the mother of a brickmaker making bricks for the building of a local school was seen to directly support this initiative by giving a portion of her pension to her son. The authors argue that the social security system should not be in competition with broader programmes such as the Reconstruction and Development Programme (RDP) and public works programmes, but rather as complementary to them.

Finally, it is also important to caution that not all older persons are powerless or unable to influence the behaviour of other members of the household. Several studies in the SA-PPA

report that older women determined the workload, activities and use of assets of younger women. For example, Chopra and Ross describe the roles played by 'gogo' in rural households in which "... Gogo is the one giving instructions. The gogo is the one who tells you to stop whatever you are doing and go and feed the baby, no matter how busy you are" (Chopra and Ross, 1995: Appendix: 11).

### **5.3 Exclusion and access to networks and opportunities**

An important aspect of the experience of chronic poverty among older people is that of a lack of 'voice' (DoSD, 2001). This is a growing area of attention internationally (Kanbur and Squire, 1999; World Bank, 2001). Broadly, a person 'has voice' when she feels she has an opportunity to somehow participate in decisions that may affect her life, as well as having avenues to lodge grievances with relevant authorities and institutions if she so wishes.

Certainly, exclusion and isolation were identified by the SA-PPA as being defining features of poverty in South Africa. The report notes that "...old people isolated from kin and without care from younger family members are 'poor' even if they have an income from a pension that is high by the standards of local incomes" (SA-PPA, 1997: 46). However, different sub-groups experience social exclusion in distinct ways. For older persons, for example, the experience of social exclusion can be the result of fraught or absent family relationships. Maphorogo and Eager's study in the Limpopo Province (1995, cited in May *et al.*, 1997) identified the 'poor character' of daughter-in-laws as a main cause of unhappiness of older people, as was living without one's spouse:

Both men and women gave family care as the main criteria for well-being in old age. Having a sympathetic daughter-in-law is the main ingredient for a comfortable life within the family, since it is the duty of the son's wife to care for his parents. In Tsonga culture, married women live with their husband's family and are expected to care for his parents, accepting them as her own. A 'bad' or 'rude' daughter-in-law is a main cause of unhappiness for older people, and can damage household relations...Unlike women, all men stated that the presence of a spouse was a main positive factor of well-being. Having sons with income was another important source of well-being, as well as being well cared for by daughters-in-law. The presence of grandchildren was seen as a positive factor, provided there were other sources of support for these children. Loneliness was a main criteria of unhappiness, even for older people with pensions. One man gave the example of people who live alone and are compelled to use their pensions to 'buy' the services of extended family members and neighbours to cook or fetch water for them.

When asked to identify who the poor were in their community, participants in Wentzal *et al.*'s (1995) study, also in the Limpopo Province, included old women living alone as being particularly vulnerable.

Poor support, generally from one's children or partner, is thus considered emblematic of poverty. Apart from the fact that loneliness diminishes one's sense of well-being, the absence of supportive family members can attenuate one's links to the community, and



tasks such as collecting one's pension on pension day etc. are rendered more difficult. A recent report by the Ministerial Committee on Abuse, Neglect and Ill-Treatment of Older Persons (DoSD, 2001), portrays a frightening picture of the insensitive and/or exploitative treatment to which some older persons are subjected. In addition to the abuse directed at some older persons by their own family members, the report highlights poor conditions in residential homes, pension payout points, and clinics.

When networks of kinship and community are present, Heslop *et al.* (2000:10) report that these are highly valued for the sense of security that they bring. Women in particular participate in a variety of community-based organisations. In contrast, the poor attitude of government staff is repeatedly mentioned as a concern of older persons, and as a barrier to them obtaining support (*ibid.*).

Using a mix of historical and ethnographic methods, Sagner and Mtati (1999) argue that pension-sharing is not governed or motivated by attachment and intergenerational reciprocity, with the majority of respondents feeling no personal sense of debt to the beneficiaries of their pension money. Instead, the relationships between pension money givers and receivers are regarded as being deeply imbalanced. The decision to help out is motivated by morality (not reciprocity) and moulded by economic and social conditions within which older persons find themselves. The data suggest that economic factors (particularly mass unemployment and poverty) and political factors (the perceived underdevelopment of the South African social security system) have tended to be fundamental in the emergence of pension-sharing. Yet, they are not sufficient to account for the practice, which is intimately tied to the African cultural ethos that stresses the value of interdependence and the priority of family welfare over self-interest. As an instrumental strategy, pension-sharing tends to affect both living arrangements in old age and the moral density of familial/kinship ties, and is therefore conducive to the social integration of old-age pensioners. The research suggests that the provision of old age care by family and kin may be dependent on the older person's acceptance of their normative obligations and responsibilities. Many older Africans believe that if they do not share their pensions with their kin, they do not have much chance of being helped in times of need.

Mohatle and Agyarko (1999) argue that a sense of belonging allays fears of future isolation, rejection and banishment to institutions, such as old age homes; the church is a very important source of support for older people in all areas, particularly in providing psychological, spiritual and emotional support; the community offers its support through the establishment of structures such as social clubs, which encourage participation of older people in social and financial activities.

Just over 31% of older persons reported that they could neither read nor write and could thus be described as being functionally illiterate. However, as Table 11 shows, there are significant differences by race and by poverty class. The older chronically poor are far more likely to be unable to read and write than those who are not poor, with 43% of the former group being in this situation. In addition, this increases dramatically in the higher age groups, with two thirds of those who are chronically poor and in the 'frail old' group (84 years and older) unable to read and write. Rural Africans have the highest incidence of being unable to read and write, with over half of all older people in this position, and more

than 75% of those 84 years and older. It is noteworthy that the rural coloured population also has low levels of functional literacy.

**Table 11: Percentage of Older Persons Unable to Read or Write**

Unable to Read or Write	50-63	64-73	74-83	84+	Total
Chronic Poor	34.6	51.5	61.5	66.7	43.0
Not Poor	14.6	24.1	28.2	41.1	19.3
Rural African	43.2	58.3	70.0	75.7	52.2
Urban Africans	19.9	36.0	50.1	65.2	27.2
Rural Coloured	39.4	47.6	57.5	31.3	41.9
Urban Coloured	10.8	18.8	28.6	35.7	15.0
Indians	8.4	14.7	25.7	57.7	12.2
Whites	0.5	0.5	0.7	2.1	0.6

#### **5.4 HIV/AIDS**

Using census and other official statistics, Ferreira (2000) notes that, from a demographic perspective, a particular concern with regard to older persons is the increasing number of young and middle-aged adults who die as a result of AIDS, often leaving orphaned children behind to be reared by grandparents, who themselves will be without support from adult kin in their old age. Very little work has been done on the impact of HIV/AIDS on poverty generally, and on older people more specifically. In a recent study aimed to fill a research gap on the impact of the AIDS epidemic on older African women, Ferreira *et al.* (2001) investigated the situation and caregiving burden of older women who act as carers to adult children with AIDS, and co-resident grandchildren (who may have AIDS and/or be orphaned as a result of AIDS).

A qualitative longitudinal study was conducted in 43 (purposely selected) households, in which a grandmother lived with a child who was infected by AIDS and children of the person with AIDS. The study was carried out in Crossroads, Guguletu, Khayelitsha and Nyanga townships, historically inhabited by Africans. 43 grandmothers aged 50 and over were interviewed in the main survey (using an interview schedule constructed and tested in an exploratory study, and subsequently revised). A total of 156 children (younger than 19) and 97 adult children (aged over 19 years) and ten grandfathers co-resided with the grandmothers. Two follow up interviews were conducted using semi-structured questionnaires, at three months and six months intervals after the baseline in 41 households (two respondents lost to attrition), in order to identify changes in the situation of older women and household dynamics over time. In addition, eight case studies are presented which demonstrate grandmothers' situations and changes in the households over the six-month study period.

The overarching finding of the study was the pervasive and desperate poverty of the study households. A lack of household income was found to impact on households most heavily

in terms of food poverty. Other pressing needs of grandmothers in the study were found to be money for transport to take the PWA for medical treatment, money to pay for grandchildren's schooling, and money to purchase funeral insurance for dying PWAs. Half of the older carers in the sample did not benefit from a pension, and where carers did receive a pension, it was often a household's only income. Carers asked for help to apply for a child support grant (CSG) for age-eligible co-resident grandchildren, particularly children with AIDS. Great difficulty was expressed in obtaining CSGs, because the process was stymied at the bureaucratic level. Carers who were not the young child's birth mother and/or could not furnish the birth certificate expressed particular problems. Older carers perceived that they could be best helped through training in business skills, to enable them to start or expand a vending business, in order to earn income for their household. Further findings were the emotional trauma experienced by grandmothers along with the physical burden of care giving and deteriorating health.

In a pilot intervention project, Ferreira and Brodrick (2001) suggest that the grandmothers benefited most from knowledge imparted to them on HIV/AIDS, followed by business skills training and the start of small business ventures by a subset of women. The model developed and implemented in the intervention is to be disseminated to NGOs.

## **6. Outcomes of poverty amongst older people**

### **6.1 Ill-health and access to care**

When considering health status, the most prevalent self-reported conditions affecting older persons of all races are arthritis/rheumatism, followed by hypertension. Almost three-quarters of the respondents in two surveys reported having at least one chronic illness or ongoing health problem, and more than half reported a disability, the most common being impaired vision. Furthermore, high rates of depressive symptomatology have been found in African urban and rural women, when compared with the other racial groups.

In qualitative research conducted by HAI (1996), many of those interviewed were pessimistic about the care given to frail older people, ascribing this in part to changes in cultural norms. Grandchildren were perceived as having been more helpful in the past. A number of sources of support were mentioned, including the OAP and assistance from the community beyond the immediate family. With regard to frail older people, older women mentioned the cultural issue of not being able to be bathed by one's daughter-in-law and the problems this entails. Older men felt there was a problem of not receiving care once frail, also in part due to cultural norms. Older women felt that the organisation of active older persons to assist with visiting and bathing could help the frail old. Lack of access to public transport and difficulties associated with stops located far from residential areas were outlined as additional problems by older men.

All four older people who participated in the well-being ranking used the criterion of the degree of care shown by their families, when deciding which of their peers had the least fortunate circumstances. The most unfortunate are either those who live utterly alone or with young, dependent grandchildren and no middle generation. For the minority without

OAPs, this situation is compounded. The most fortunate were seen to be those who lived with their families and were able to spend their pensions on themselves (HAI, 1996).

Although just under 17% of all older people reported that they had experienced illness in the previous month, there are differences in terms of age, gender and race. Turning to age first, while 15% of all older persons in the ‘near aged’ group reported illness, the incidence of illness consistently increased by age group to reach 23% for the ‘frail old’ group. Urban African women are far more likely to have experienced an illness in the previous month than any of the other groups, with 22% of older persons in this group reporting illness. Amongst urban and rural white women and men, 11% in each group reported illness.

To depict this finding, Table 12 shows the likelihood of experiencing illness in the month prior to the survey for different social groups and age categories. The incidence of illness for the ‘not-poor’ aged 50-63 years is used as the benchmark. The data shows that those who are chronically poor but not old are as likely to report illness as the same age group who are not poor. However, this situation changes in the older age groups, where chronically poor older persons in all age groups are more likely to report illness than the not poor.

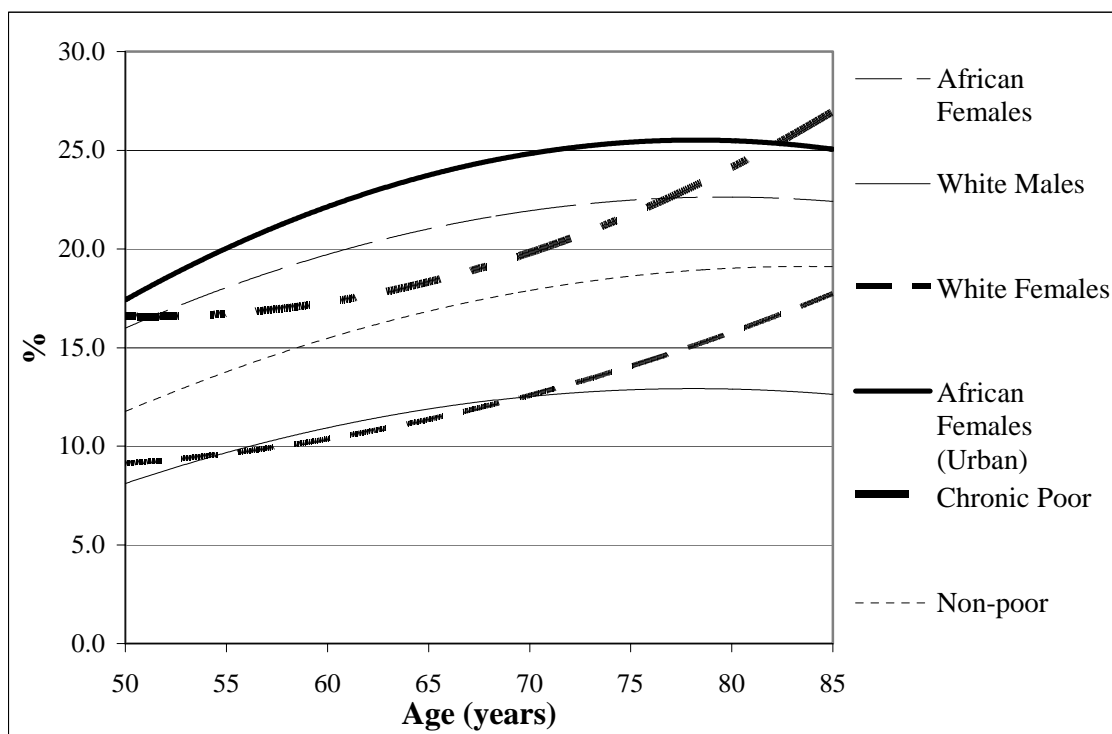
**Table 12: Likelihood of Illness**

	<b>Not old</b>	<b>50-63</b>	<b>64-73</b>	<b>74-83</b>	<b>84+</b>
Chronic Poor	0.4	1.2	1.3	1.6	1.7
Not poor	0.4	1.0	1.2	1.2	1.6
African male	0.4	1.0	1.3	1.3	1.6
African female	0.5	1.0	1.3	1.3	2.0
White male	0.4	0.7	0.8	1.1	1.0
White female	0.5	0.7	0.8	1.1	1.1
African urban female	0.5	1.3	1.6	1.8	1.9

In terms of differences by gender and race, white men are least likely to report illness, while African women in the ‘frail old’ group are twice as likely to report illness than those who are not poor in the 50-63 year age group. These trends can be graphically shown using data from the 1998 and 1998 OHSs, and the following figure depicts fitted trend-lines on the age-specific incidence of illness in the previous month.

Figure 2 shows that poor older people are more likely to have experienced illness than non-poor older persons at all ages. When this information is broken down by race and gender, African urban women emerge as being most prone to illness, while white females and males at all ages tend not to have been ill.

**Figure 2: Age Specific Illness (% incidence)**



Although only 24% of those older people who were ill or had been injured in the last month had received treatment at a hospital, 76% had seen a health worker. Although there is little variation in seeking health care when ill by age group, those living in urban areas are more likely to have visited a hospital or health worker than those living in rural areas (27% vs. 21% in the case of hospitals, 79% vs. 73% in the case of health workers). Moreover, 20% of ill or injured rural Africans had attended a hospital compared to 30% of urban whites. The quality of care also varies, with about one-third of those urban or rural Africans visiting a health-worker seeing a nurse only, compared to just under 7% of whites. Costs also varied with African older people paying an average of R28 for a consultation while whites paid an average of R361.

Turning to disabilities, the following table uses the OHS data to look at different types of disability among the different age groups.

**Table 13: Percentage Age Group with Disability**

Disability	50-63	64-73	74-83	84+
Seeing	25.1	36.0	44.2	55.2
Hearing	12.5	16.1	26.3	43.4
Communication	11.1	10.3	16.6	18.4
Moving	35.1	37.7	44.7	41.7
Standing	27.8	31.6	37.3	34.7
Mental	7.8	6.6	13.4	9.2

The table shows that the incidence of all the disabilities examined by the OHS increases in the higher age categories. Comparing those that are categorised as chronically poor to those categorised as not poor suggests that chronically poor older people are more prone to disabilities. Table 14 shows the ratio of the incidence of different disabilities between the chronically poor and the not-poor in each age group.

**Table 14: Disability and Chronic Poverty (odds ratio chronically poor:not poor)**

Disability	Not old	50-63	64-73	74-83	84+
Seeing	0.9	1.6	1.9	2.6	2.1
Hearing	1.0	0.9	1.3	2.2	3.7
Communication	1.0	0.7	0.9	1.8	1.0
Movement	0.9	1.5	1.4	2.0	2.4
Standing	1.0	1.7	1.8	2.8	3.1
Grasping	0.9	1.1	1.3	1.0	2.0
Mental	0.9	0.4	0.4	1.1	0.8

The data shows that while the chronically poor who are not in the older groups are equally as likely to experience disabilities as the non-poor, this situation changes in the older age groups. Thus, the chronically poor 'frail old' (84 years and more) are twice as likely as the not-poor in the same age group to experience difficulty with seeing, movement and grasping, and more than three times as likely to experience difficulty with hearing and standing. This pattern holds across all age groups for these disabilities, while there is little difference between the chronically poor and not-poor in respect of communication and mental difficulties.

## **6.2 Deprivation and access to other services**

There are signs that the effects of urbanisation and other social change are creating tensions and strains that undermine the benefits of multigenerational co-residence. Ferreira (2000) argues that the situations of both urban and rural older persons are found to contain their own specific challenges. Living conditions in urban and peri-urban informal settlements are cramped and squalid. Older rural dwellers, especially women, find it difficult to carry out household survival chores without their adult children to assist them. Distances are great and transport is poor, both constituting barriers to older persons seeking health care, collecting their pension money and shopping for necessities. Lastly, when asked how they can best be helped, older persons invariably pleaded for the creation of jobs for their unemployed adult children and grandchildren.

In a study involving some 300 older people in Duduza township, Hildebrandt (1993) reports that the needs of the old were identified as accessible health care, knowledge about nutrition, financial resources to meet the needs of food, clothing and shelter, affordable transportation, and community amenities. The report also examines their health needs, home and community environment, informal and formal resources and services, and their expectations.

### 6.3 Vulnerability and shocks

The older poor, like all poor people, are vulnerable to threats that they may not have the resources or power to avoid, or to minimise the impact of the shock once it has occurred. Qualitative studies identify the risk of fire: Bank (1996) vividly describing the fires that frequently occur in shack settlements, destroying shelter and possessions. Khandlela (2002) has documented the vulnerability of poor people in the Northern Province to floods. Other studies discuss the impact of job loss; crime (theft of money and possessions, and bodily harm); poor agricultural conditions (for those who rely in part on food production for sustenance); and illness and death in the family (often with no resources to seek medical care).

This notion of vulnerability is reflected in the quantitative analysis of poverty dynamics discussed by analysts such as Carter and May (2002), May *et al.* (1995) and Roberts (2002), e.g. 'risk rates', 'stochastic poverty', 'entitlement shocks', and so forth. However, as Aliber (2001:27) points out, at a deeper level the experience of vulnerability is an aspect of poverty in and of itself, that is, "a palpable disturbance to one's peace of mind."

### 6.4 Abuse of older people

The main report by the Ministerial Committee established by the Minister of Social Development to principally determine direct and indirect causes of abuse, neglect and ill treatment of older people is extremely vocal on the issue of abuse. In order to fulfil its mandate, the Committee completed visits to centres and facilities in urban and rural areas where older persons reside, visit or receive care; visited pension pay points in urban and rural areas; facilitated and organised public hearings in all main centres, and in some rural communities in all provinces; invited, received and studied written submissions and reports from the public, NGOs, CBOs, Departments, traditional leaders and churches; and collected and reviewed research and other relevant data.

In a survey prepared for the National Department of Health, the Africa Strategic Research Corporation (1999) found that 69% of respondents were aware of abuse of older people, and over half (53%) had personal experience of abuse. The three main types of abuse identified by the respondents are psychological or emotional; financial; and general maltreatment. Theft of pensions by grandchildren, and working without payment were the most common forms of financial abuse. Grandchildren were reported to be responsible for more than one-half of the abuse of older persons, followed by spouses and children. The DoH (1999:10) notes that the victims of abuse are usually 70-80 years of age, overwhelmingly female, and suffering from illness or disability. The abusers are usually in the 'near old' category or in very young age groups, distributed proportionally between men and women, and are most often a family member. This experience of neglect by the old is not a recent finding and was also reported by Bozzoli (1991), who quotes a respondent as saying:

*When you're too old your children don't have time to look after you. They have their lives to live and at times they don't feed you, they beat you up, you know, generally mistreating you.*

However, abuse can extend beyond the family, and, according to the Ministerial Committee, the treatment that pensioners receive at pension pay points was reported to be among the most severe problems encountered by the older population. Queuing at pay-points and the problems associated with this overshadowed all other problems faced by the old in most provinces. Well over 50% of pensioners at Public Hearings complained about one or another aspect of the pension pay-out system. A comprehensive list is given of problems associated with conditions at pay points and the pension payment system itself, yet it is the lack of or reduced pension income which results from the presence of money lenders and burial societies at pay points, as well as the stoppage of pensions, that are likely to have the most negative impact on the lives of pension beneficiaries.

The Committee also collected a large amount of evidence on the cruelty that many older people experience. Various pieces of research are cited which point to the occurrence of numerous types of abuse: 1998 South African Police Service figures on crime against the old are cited, and the Committee reports on testimony given at some of the public hearings on witch hunting, which still result in the death of older individuals in a number of communities. The Committee found that at every Public Hearing older people gave accounts of the distress caused by abuse from their children and grandchildren. In addition, the report reflects that the rape of older persons is on the increase, both within the family and by outsiders who believe that sexual intercourse with a sexually inactive person can cure HIV/AIDS. Further, older people living alone are dying from malnutrition and neglect.

Witchcraft is strongly associated with the abuse of older persons, especially women. As with child abuse, it is difficult to ascertain whether there has been an increase in accusations of witchcraft and assaults on those so accused, but it can be speculated that increasing ill health in many communities due to AIDS could readily be ascribed to the presence of witchcraft. Certainly, as Gorman (2000:35) points out, even the threat of being accused results in isolation and vulnerability.

Other forms of abuse of older people that have been put forward include falling prey to unscrupulous loan sharks and theft. In a study looking at different aspects of abuse experienced by older Muslims in four areas of the Cape, Mosaval and Ferreira (2000) pinpointed financial abuse as the overwhelming area of concern, with theft or extortion of pensions being the primary factor. Other problems included protracted waiting times at clinics for medication, and a lack of security around pension pay-out points. However, in contrast, a sample survey of pensioners in the Free State, van Vuuren and Groenwald (2000:16) find little evidence of this, although 13% of their sample did report that they had been robbed of their pension money over a ten month recall period. It must be noted however, that this study was confined to one township and a limited number of rural towns, and the sampling methodology is potentially biased. Ferreira (2000) notes that receipt of pension income may increase older person's vulnerability to abuse and financial exploitation by children and grandchildren, who extort money for their private use. She reports that the family, as well as consuming pension money, seriously neglects some beneficiaries. In a small survey conducted in KwaZulu/Natal, Kumalo found that almost 90% of her sample of older persons lacked a well-balanced diet, due to family pressures on food and poor budgeting (Kumalo, 1990).



## **7. The South African policy framework**

### **7.1 Growth and development policies**

The policy framework for the support of older persons must be situated within broader debates over South Africa's macroeconomic policy. For some analysts, this policy has represented a substantial shift from redistribution and social justice to neo-liberal reforms and widening inequalities. Despite its earlier commitment to the redistributive Reconstruction and Development Programme (RDP), the policies adopted by the South African government since 1994 have contained important contradictory ideas. The RDP attempted to marry the ANC's old social democratic and socialist values (redistribution, basic needs) with new neo-liberal ones (trade and financial liberalisation, the independence of the Central Bank), ostensibly held together through (centrist) institutions and accords, at which all the 'social partners' would be represented. In the end the RDP has been described as an uneasy compromise between "the feasibility of combining a social welfare state in the developmental sphere with neo-liberalism in the economic sphere" (Bond, 2000:54). In some ways, it is thus not surprising that orthodox economic ideas were given full reign in the Growth, Employment and Redistribution Strategy (GEAR), published in the wake of a currency crisis in June 1996. Central to GEAR, as even senior state bureaucrats now admit, was an orthodox macroeconomic policy.

The underlying premise of GEAR, which aimed to attain a growth rate of 6% per annum and job creation of 400 000 by the year 2000, is that growth would be best promoted by freeing the private sector from the fetters of the distorted racist logic and constraints of the apartheid era. The essential need to remove all vestiges of a state-imposed, racially-based economic order has been extended to argue for a much more sweeping 'rolling back of the state'. This includes the abandonment of arguably important policies such as a discrete and effective public investment programme, tariff protection for vulnerable industries, essential reform of the heavily conglomerate-controlled domestic financial system, and the tightening of controls to prevent capital flight, amongst others (Michie and Padayachee, 1998:627).

Six years into the new democracy and four years after GEAR, it is clear that, apart from complying rather well with Washington Consensus-type targets for macroeconomic stability, the real economy is performing nowhere near the levels that are needed to address the problems that South Africa inherited from apartheid. With the exception of 1996, growth rates were on a declining path between 1994 and 1998. Growth rose marginally again in 1999 and more robustly in 2000, but these rates do not come near the estimated sustained rates of 7-8% per annum required to absorb new entrants into the labour market and make inroads into the growing pool of unemployed people (Michie and Padayachee, 1997:17). Unemployment has risen, with net job losses recorded each year; "the available data indicate that the number of people employed in the non-agricultural sectors of the economy declined by about 80 000 in the first nine months of 1999" (SARB/QB, 2000:2-3). Decreases were recorded in both the private and public sector, and in all major industries including mining, manufacturing and construction. Over the period 1996-99, Stats SA revealed that there was a net job loss of 365 000 non-farm jobs (NBI *Quarterly Bulletin*, April 2000). In addition, South Africa has not been the preferred destination of

direct foreign investment despite its commitment to austere macroeconomic policies, and the granting of an investment grade credit rating first by Moody's and then in early 2000 by Standard and Poor's. The 1998 World Investment Report showed that South Africa attracted just \$380 million in direct foreign investment compared to Brazil's \$29 billion and Australia's \$6 billion (Sowetan, 22 May 2000).

Because it touches so critically on the lives of the poor, it is also important to recognise that an alarmingly large proportion of allocated annual social services expenditure has repeatedly not been spent in some national line-function departments (e.g. the Department of Trade and Industry's allocation to small and survivalist business development), and in regional departments (e.g. the KwaZulu-Natal Department of Education). Alarmingly, the Department of Welfare between 1996 and 2000 was estimated to have been unable to spend the R616 million allocated for poverty relief, social development and social welfare (Ntenga, 2000:1). In short, mismanagement, corruption and lack of capacity have compounded problems of delivery to the poor, whatever one may think about the stance of macroeconomic policy (Michie and Padayachee, 1998:630/1).

## **7.2 Social security**

State pensions were extended to Africans in 1944, and by 1990, 67% of all old age pension expenditure went to Africans (van der Berg, 1997). By 1993, parity of benefit levels was finally achieved between members of different races for the old age grant and disability grant (Lund, 1999). From the combined 1998 and 1999 OHSs, 35% of older persons were in receipt of the government OAP, although this obviously excludes those women and men under the ages of 60 and 64 respectively who are not yet eligible for the OAP. By age group, the picture is different with 87% of those in the frail old (84+) receiving an OAP, 82% of those in the lower age category (74-83) and 72% of the 64-73 age group. It is striking that only 58% of men in the age group immediately after eligibility for the OAP were in receipt of the grant compared to 81% of women in the same age groups and 79% of men in the higher age category (74-83). Uptake rates of the OAP are far higher for Africans than for whites at almost 90% for those 74 years and older, although it should be noted that approximately half the white population in these age groups report receiving an OAP.

Evidence from smaller surveys suggests that these payments form an important safety net for other members of older households, and numerous studies have documented the broader impact of the OAP on households (*cf.* Sagner and Mtati, 1995; Heslop *et al.*, 2000). As an example, in a small sample survey undertaken in the Free State, van Vuuren and Groenewald (2000) confirm qualitative evidence, which shows that in multigenerational families pensions are shared, although this is not the case when older persons live alone. Although these researchers suggest that a negligible portion of the OAP is spent on children and grandchildren, their data show that 46% of the pension income was allocated to shared living expenses that presumably benefit others in the households. Estimates suggest that each social pension paid to a beneficiary helps between five and six other people in a household (Ferreira, 1998; Møller and Sotshongaye, 1996).

Ferreira *et al.* (1995) note that research has demonstrated how the OAP goes to women more than men; reaches into deep rural areas; often secures credit for the household at the

local store; contributes to the education expenses of grandchildren; ensures respect for the beneficiary; and secures the right of the older person to stay in the home and be cared for by the family.

Turning to the implementation of the state pension scheme, Møller (1998) documents the crisis in the pension payout system in the Eastern Cape that took place in 1998 as a result of the rationalisation process designed to weed out fraud and corruption. The clean-up process caused individual hardship for pensioners trapped in the system interface, and caused a bureaucratic nightmare that culminated in the pensions crisis of January 1998. To save funds and to cope with the additional workload of amalgamation and re-registration, the Member of the Executive Council for Welfare introduced stringent measures, which included the withdrawal of back pay to new pension applicants and a moratorium on processing new pension applications. In order to achieve further savings, the number of pay points and the number of days for pay out were cut. Deaths in queues where people waited for up to four days for pensions and social grants were reported in Mdantsane. Payments to pensioners on the system became more irregular and new beneficiaries' chances of getting onto the system were jeopardized. Many pensioners became caught in a debt trap (with money lenders who charge exorbitant interest rates) in order to make ends meet while pensions were delayed. Firsthand reports from pay points where pensioners were turned away confirm that pensions represent a lifeline for entire families in the Eastern Cape, with the most frequent lament of pensioners being how to feed the family waiting at home.

State OAPs are the most important form of social security for older persons in South Africa, and it is not surprising that the bulk of research on older people has focused on this dimension. In addition, due to the limited number of developing countries that have a state pension, the OAP has been the subject of much interest both nationally and internationally. However, in some instances, findings remains inconclusive and contradictory.

### **7.3 Private retirement provision**

Ferreira *et al.* (1995) note that there is growing concern about the extent of dependence on the OAP as a form of general social assistance, as well as a need for individuals to make provision for retirement during their working lives. However, for most of those in chronic poverty, the provision for their own retirement through private pension or annuity funds is a remote possibility.

The OHS shows that 6% of older persons were receiving a pension from their work, although this is concentrated among whites (19% for all ages, and 25-27% of those 64 years and older), compared to only 2% of Africans. Finally, 22% of older persons in the 64-73 age group were receiving neither a government nor a work pension, falling to 13% for the higher age group and 8% of the 'frail old'.

## **8. Conclusion and recommendations**

As Aliber (2001:4) notes, chronic poverty is not yet an analytical concept adopted by South Africa's policy-makers, and as a result, most policy does not specifically target the chronically poor. However, the current debate on the Basic Income Grant (BIG) does start

to raise some of the issues relating to persistent poverty. In addition, there has been recent scrutiny of the entire social security system in South Africa, in which increasing attention has been directed towards the role of different grants in assisting poverty reduction. In relation to this, a consistent thread running through many of the testimonies given during the Commission on the Elderly reflects concerns of whether those in receipt of OAP are truly the ‘deserving poor’. This concern is not new, and characterises the earliest discourse on social security in the Poor Laws of 17<sup>th</sup> century England. However, in the context of post-apartheid South Africa, the emphasis placed on differentiating in some way those who are ‘deserving’ from those that are not may be misplaced.

In societies that enjoy similar levels of economic development to South Africa, it might be anticipated that financial, labour and factor markets may function in a way whereby those who are thrifty and who work hard would be able to save for their own retirement. Only misfortune or indolence would lead some to becoming poor when old. During the apartheid years, South Africa was no such economy. Legislation systematically prevented the African population, and especially the rural African population, from settling where they chose, from engaging in the work that they might have best been suited to, and from acquiring assets, especially land and housing. At the same time, the physical and economic infrastructure of these areas was neglected, and consequently, the prospect of building up savings for the future was severely constrained. The econometric analysis undertaken by Carter and May (1999 and 2001) shows the impact of these policies on the markets faced by South Africa’s poor. Other researchers describe similar segmentation and ‘malfunctioning’ of markets in South Africa, and in reviewing this evidence, May (2000) concludes that most markets faced by the poor can be thought of as missing, thin or distorted.<sup>15</sup>

As a result, it can be expected that all of the sub-groups of the older population identified in this report have had their prospects of secure ageing prejudiced by these laws, and as such, the OAP may represent one of the few mechanisms open for meaningful restitution. The acceptance of neo-liberal policy rhetoric thus extends beyond the establishment of ‘customer care departments’, in which recipients of the OAP are no longer citizens seeking their entitlements and are rather consumers in a market, and has underplayed the rights dimension of the social security system in South Africa. This is perhaps the most important issue to address in future research and advocacy activities, in examining the changing relationship between citizens and government over the course of their lifetime. Social security is one aspect of this relationship and needs to be placed as one element of lifetime ‘trajectories’. The issue for policy analysis is the extent to which markets function in favour of the poor. For policy concerned with ageing, an example is the existence of finance markets that permit poorer people to develop their retirement plans without jeopardising their prospects of securing an OAP.

This is a second major area for investigation and refers to the manner and extent to which those currently in the ‘near old’ age groups, and in younger age groups are able to make provision for their ageing. This does not imply that private provision should replace public support, but rather to identify ways in which direct public transfers relate to the

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<sup>15/</sup> Thin markets occur when there are few buyers and sellers, or where those that do exist are poorly resourced.

accumulated assets of older people and to the strategies that they have followed during their productive lives in order to acquire assets.

Related to this point is the paucity of information on the socio-economic and demographic aspects on ageing more generally. The vast majority of research undertaken in South Africa to date has focused on the OAP system and the impact of the grants on older people and their families. As a result, beyond the limited data indicating that many poor older persons are compelled to continue productive and reproductive activities, there is insufficient evidence on the causes of this and on the transition into old age. Although increasing research is focusing on other transitions, the vulnerability of older people, especially those preparing for some form of retirement has not received the attention that this deserves. Examples of such research might include the impact of multiple pregnancies on older women, and unsafe work and other work-related injuries on older men.

A related and important research question concerns the situation of 'granny households'. Further analysis is possible on the OHS, KIDS and Langeberg surveys in which the circumstances of older people in these households are explored, as well as the consequences of their situation for the children growing up in these households. However, this needs to be supplemented with qualitative data that explores the life-histories of women in particular, i.e. what were the events that resulted in them heading the household and continuing to play an active role in the reproductive activities of caring for children? Even when not heading the household, the evidence in this report shows that older people continue to work well into the later stages of ageing, providing an important economic role. Moreover, chronic poverty reduces the options of older people to move from producer to consumer. Key events should be identified, especially those which public policy intervention could prevent, and which could alleviate/minimise such negative outcomes.

Finally, this study also supports Sagner's (1997) earlier argument that there is a general lack of hard statistical evidence relating to the living circumstances of older households and older people, and to their socio-economic and geographical dynamics in specific spatial settings. A particular area of neglected gerontological research has been the migration experiences of older men and women. Both later life relocation and the intense participation of older households/older people in short-term urban-rural mobility calls for future research. The socio-dynamics of older households and the linkages between older urban households and rural homesteads require attention. More generally, the analysis of the interdependence between urban and rural households should be given priority in future gerontological research.

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