

First national income study takes off in 2007

By Renee Grawitzky

Johannesburg - The presidency has commissioned the country's first national income study to help the government get a better understanding of the extent of poverty.

The study, which gets under way next year, is an acknowledgment that poverty remains a central issue. The national income dynamic study will be conducted by the SA Labour Development Research Unit (Saldru) based at the University of Cape Town (UCT), rather than by Statistics SA or the Human Sciences Research Council.

The study will track 8 000 households indefinitely to provide policy makers with a better understanding of the dynamics of poverty.

This emerged during a debate on poverty and inequality trends at the Trade and Industrial Policy Strategies and UCT's Development Policy Research Unit conference held in Johannesburg last week. There was broad agreement at the conference that poverty had declined since 2000 but economists disagreed on the extent of poverty.

Saldru director Murray Leibbrandt explained that studies of this nature had been done in developed and developing economies, and in the case of the US, had been running since the 1960s. The importance and benefit in tracking the same 8 000 households lies in the ability to follow trends over time to see whether people are moving into and out of poverty and the factors influencing such changes.

According to Leibbrandt, the fieldwork will start next year with the results being released in 2008. Two years later, the same 8 000 households will be resurveyed. The intention is to ensure that every two years the fieldwork is repeated.

In order to track households in terms of well-being, the study will not only target the poor but also rich households, to understand those who are doing well and the factors contributing towards this.

The study is similar in concept to the KwaZulu-Natal income dynamics study, which tracked 1 400 households from 70 rural and urban communities in KwaZulu-Natal. The households were first surveyed in 1993 and then again between March and May in 1998.

These types of studies are critical in feeding into various policy debates around the social grant system. It is important to be able to track the impact of government programmes, such as the child support grant, old age pensions, the impact of the expansion of basic services and most importantly, the livelihood strategies adopted by poor households.

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