

Neither this nor that: spatial dynamics of poverty and unemployment in South Africa

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Presentation layout

- Introduction
- Methodology and data
- Findings and discussion
- Conclusion and recommendations

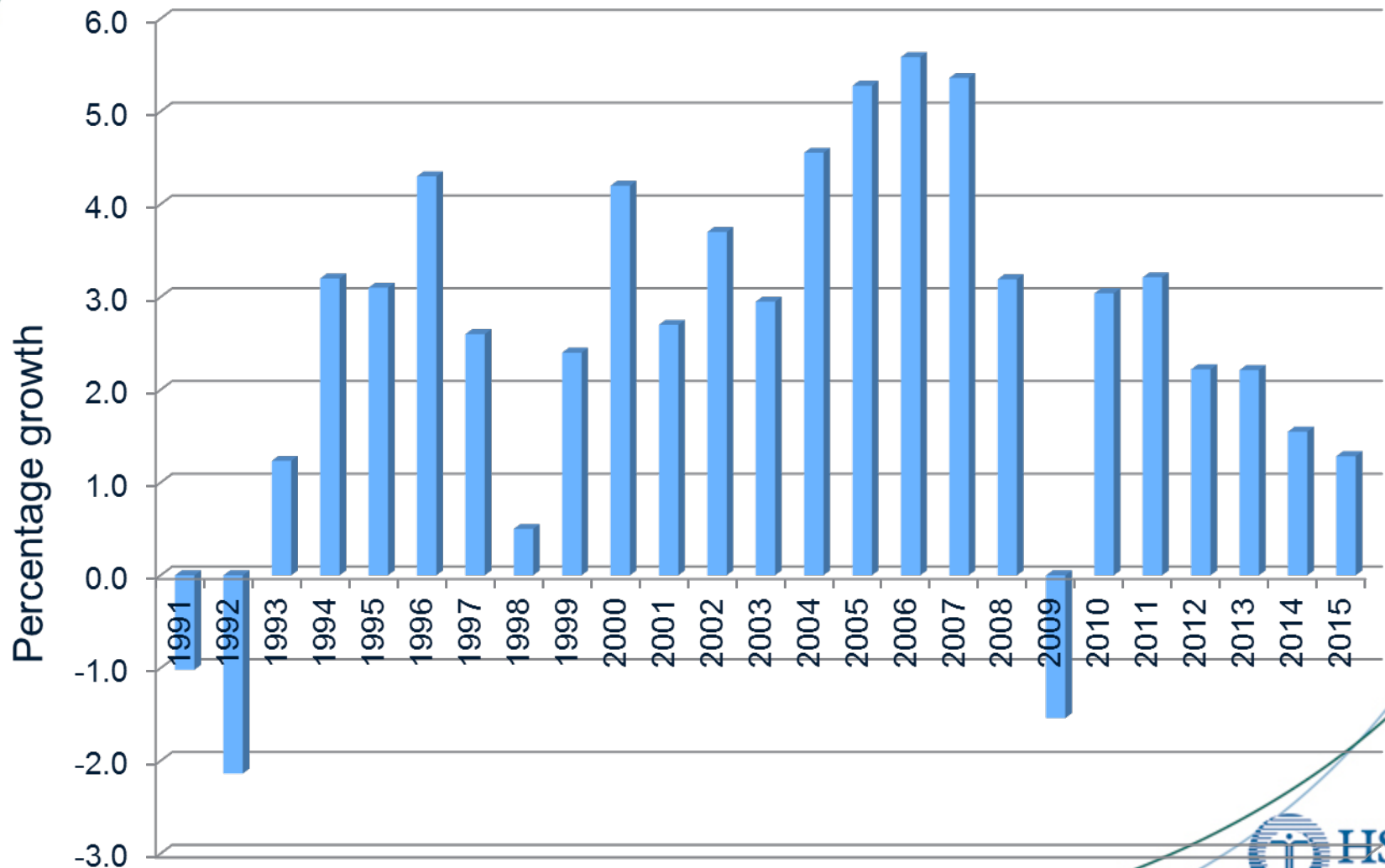


Introduction (1)

- Official unemployment rate
 - 26.4 %
 - Expected to reach 45.5 % by 2020
- High levels of poverty - 26.3 % in 2009
- To overcome these - minimum pace of growth required
- Geographically unbalanced patterns of economic growth
 - Spatial concentration of economic activities
- International trend - poverty declined over time but inequality increased

Introduction (2)

- Annual GDP growth rate



Introduction (3)

- Employment seen as possible solution to reduce poverty
- Poverty has multiple facets, e.g. income, employment, education and the living environment
- Aggregate poverty improved marginally between 1993 and 2008, but urban poverty increased
- Is there a statistically significant relationship between unemployment and poverty spatially over time or not?
- Null hypothesis: positive linear relationship between unemployment and poverty

Methodology and data

- Data sources
 - Census 1991, 1996, 2001
 - Community Survey 2007
 - Municipality level – standardised to 2005 boundaries
- Poverty = lack of income
 - Percentage of people living in households with an income less than the poverty income line
- Spatial concentration measured with Moran's I
- Spearman rank correlation - poverty vs. unemployment

Findings and discussion (1)

- Both poverty and unemployment were spatially concentrated over time
- Spatial concentration of unemployment increased

	Moran's I	Z-score	Spatial concentration
Poverty			
1996	0.57	23.92	Clustered
2001	0.52	21.84	Clustered
2007	0.53	22.55	Clustered
Unemployment			
1991	0.61	25.87	Clustered
1996	0.50	21.25	Clustered
2001	0.71	30.08	Clustered
2007	0.71	29.92	Clustered

Findings and discussion (2)

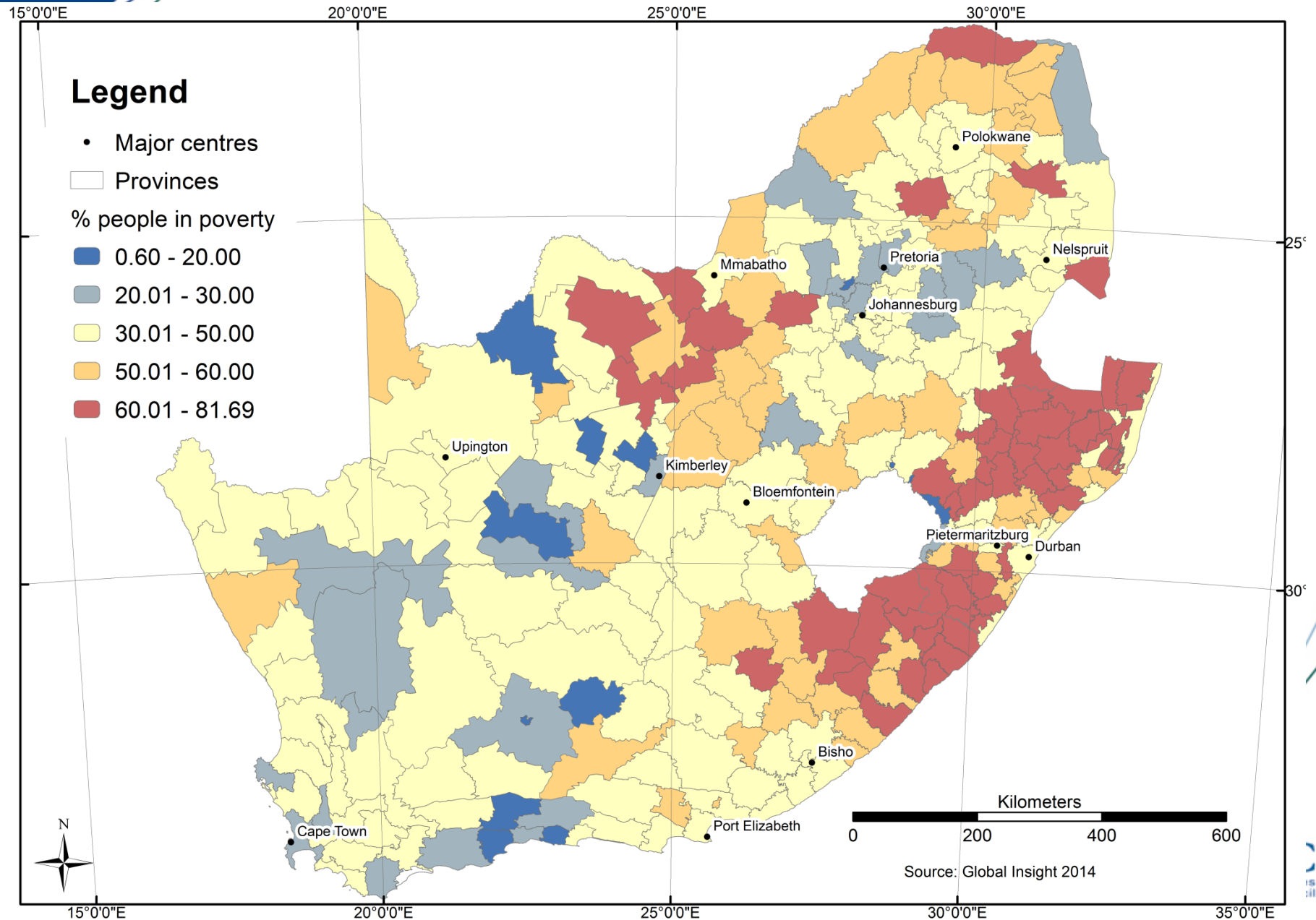
- Correlation results (* Significant at 0.05)

Province	1991	1996	2001	2007
Eastern Cape	.13	.85*	.77*	.11
Free State	.95*	.47	-.13	.35
Gauteng	.97*	.56	.11	.46
KwaZulu-Natal	.94*	.87*	.67*	.40*
Limpopo	.76*	.91*	.35	.17
Mpumalanga	.95*	.92*	.64*	.64*
Northern Cape	.78*	.57*	.28	.32
North West	.20	.66*	.38	.44
Western Cape	.84*	.37	-.23	-.18
Total	.74*	.86*	.71*	.54*

Findings and discussion (3)

- Correlation results
 - 1991 and 1996 - high in more rural and sparsely populated areas
 - 2001 and 2007 - high in metropolitan areas
 - National level - positive and imperfect in all years
- Continuously strong only in KwaZulu-Natal, Mpumalanga and North West
- Factors other than employment influence poverty

Findings and discussion (4)



Conclusion

- Null hypothesis: accepted nationally, but not necessarily at provincial or municipal scale
- Poverty and unemployment became a more urban occurrence
- Policies that address poverty and unemployment should be spatially diverse
- In KwaZulu-Natal, Mpumalanga and North West – address poverty through increased employment opportunities
- Skills development extremely important
- Link poor villages with more lively regional markets