Wellbeing and deprivation in later life: Insights from South Africa and Brazil

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PROGRAMME

Introduction

Research Project on 'Ageing, well being, and development: A comparative study of Brazil and South Africa'

Panel datasets of older people and their households collected in 2002 and 2008

Three findings:
- Taking the sample as a whole, multidimensional wellbeing improved between 2002 and 2008: ageing is not necessarily associated with a decline in wellbeing
- For individual households, there are important changes in well being over time: an important group of households escape poverty or fall into poverty; while some stay poor
- Public policy focused in ageing, and especially old age income security, has been crucial to the well being of older people and their households

Table 1. Household sample and attrition

The trials of collecting panel data: Langa, Cape Town,2002 and 2008

Household sample and attrition	Brazil	South Africa
2002 households sample, of which:	1006	1107
Matched (2002 and 2008) households	615	719
Attrited (2002 only) households	391	388
Replacements (2008 only) households	391	254

Table 2. Wellbeing indicators			
Label	Description	Values	Deprivation
Health	Self-reported health status	1 very poor 2 poor 3 average 4 good 5 very good	1
Life satisfaction	Self-reported assessment 'Taking everything into account, how satisfied is this household with the way it lives these days?'	1 very dissatisfied 2 dissatisfied 3 neither satisfied not dissatisfied 4 satisfied 5 very satisfied	1,2
Safety	Change in perception of safety from two years before	1 worse 2 same 3 better	1
Social participation	Number of social organisations the respondent belongs to	0-8 (Brazil) and 0-10 (South Africa). Brazil: senior centre, church group, community organisation, sports club, school organisation, political party, trade union. South Africa as Brazil plus: women's club, stokvel, burial society.	0
Financial control	Responses to the question: 'How much of own money are you able to keep for yourself?'	1 none 2 very little 3 some 4 a reasonable amount 5 all	1
Debt service	Monthly debt repayments as proportion of total debt	1 if x=>0.5; 2 if 0.5>x>=0.2; 3 if 0.2>x>=0.1; 4 if 0.1>x=>0.001;5 if 001<x	1,2
Durables	Number of durables in household	0-11 (phone, stove electric or gas, stove paraffin or wood, electricity, TV, radio or stereo, fridge or freezer, sewing machine, car, bicycle, motorcycle)	1-5
Water	Main source of drinking water	1 other (river,dam,rainwater) 2 borehole 3 public tap/water carrier 4 piped water on site, neighbour 5 piped water in dwelling	1
Expenditure	Quintiles of equivalised per capita household expenditure	1-5	1,2

Multidimensional counting approach

For each wellbeing dimension, define a deprivation threshold

Aggregate deprivations for each individual

Issues: (i) each dimension counts the same; (ii) implies substitution; (iii) poorer if more deprivations?

'Poverty' if deprivations above a threshold m (Di>m)
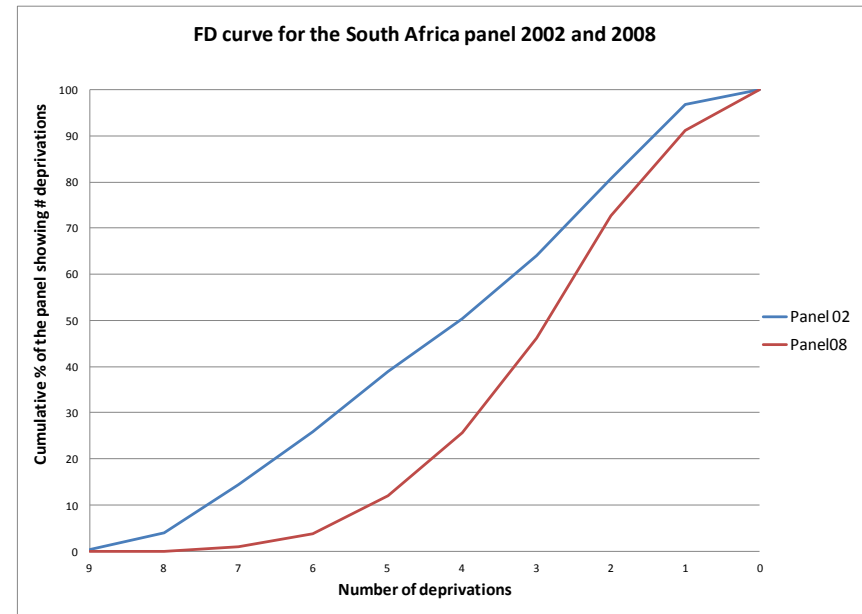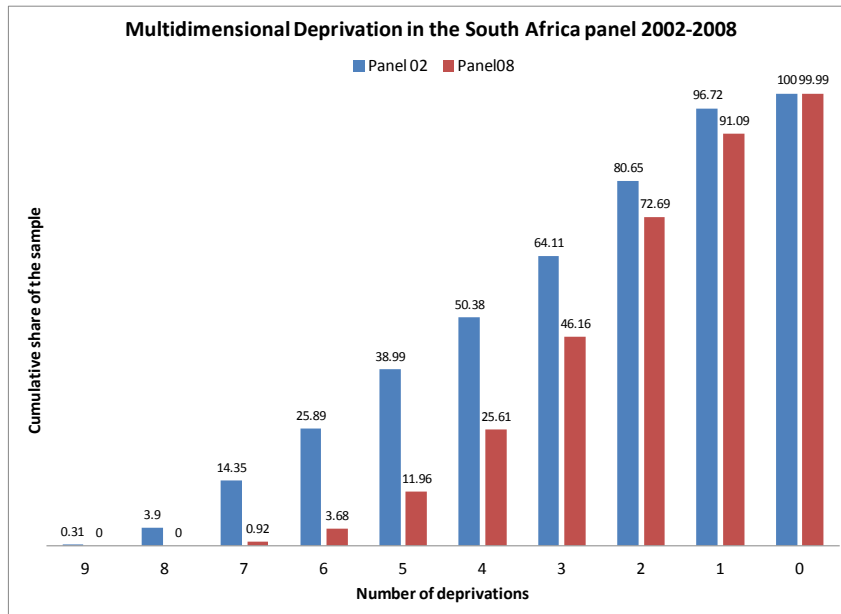
Two measures:

Multidimensional headcount deprivation rate $Pm(\mathbf{D}) = q_m/n$

*Multidimensional deprivation shortfall ratio*

$$Mm(\mathbf{D}) = \left(\sum_{i \in n} D_m \middle/ q_m J \right) \left(q_m/n \right) = \sum_{i \in n} D_m \middle/ nJ$$

A graphical approach to ranking multidimensional wellbeing: Does wellbeing decline with age?

Multidimensional Deprivation in the South Africa panel 2002-2008

Panel 02 — Panel08

Values (Number of deprivations 9→0):
- Panel 02: 0.31, 3.9, 14.35, 25.89, 38.99, 50.38, 64.11, 80.65, 96.72, 100
- Panel 08: 0, 0, 0.92, 3.68, 11.96, 25.61, 46.16, 72.69, 91.09, 99.99

FD curve for the South Africa panel 2002 and 2008

Panel 02 — Panel08

Because curves do not intersect → multidimensional wellbeing better in 2008 than in 2002; finding applies whichever 'poverty' threshold is chosen

Multidimensional deprivation also declined in the Brazil sample

FD curve for the Brazil panel 2002-2008
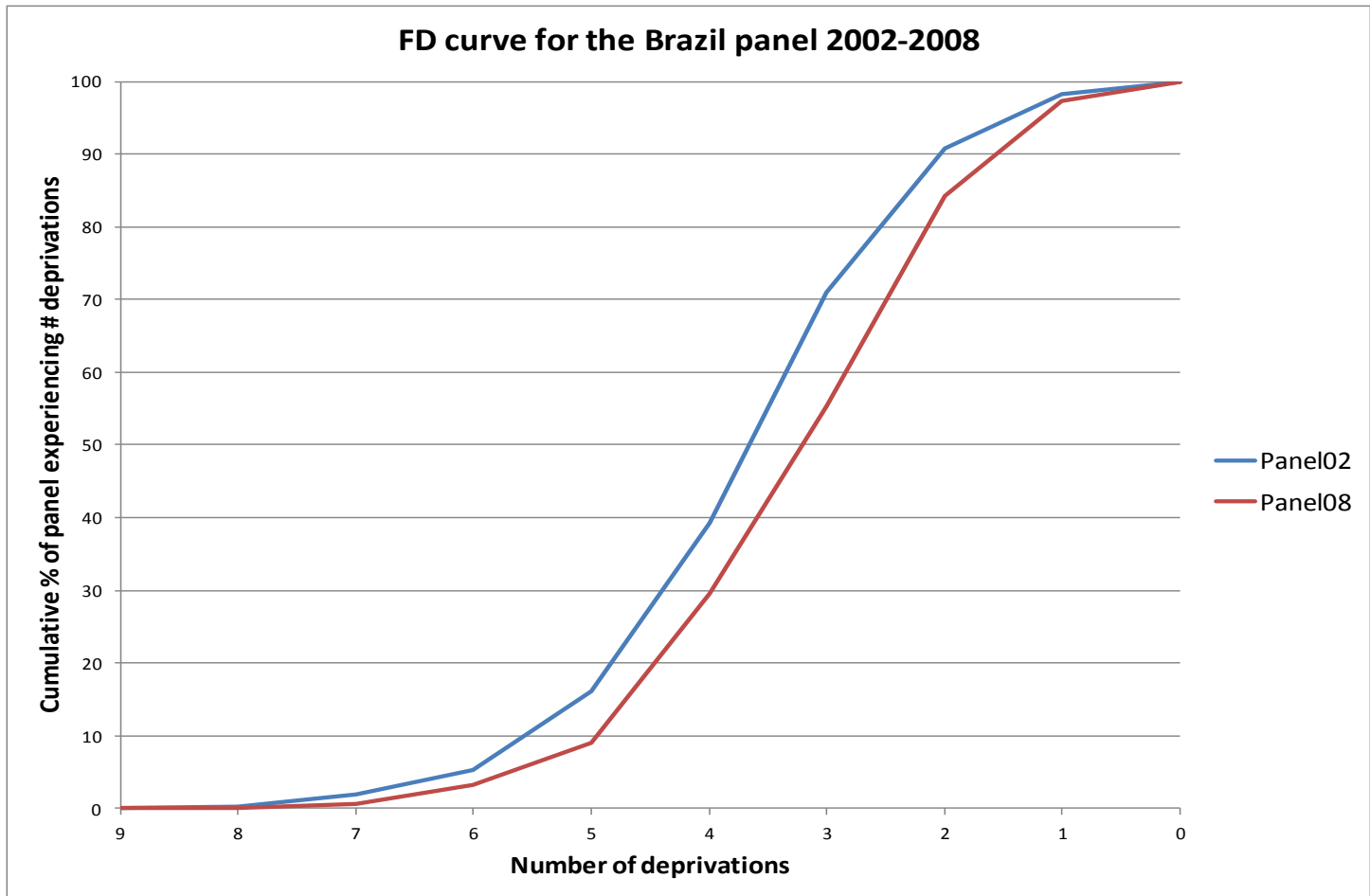
Focusing on the well being trajectory of individual households, we can observe changes in poverty status

Table 3 Poverty status transition in the South Africa panel using per capita household income

		2008		
		% Not poor	% Poor	
2002	% Not poor	41.26	28.58	69.84
	% Poor	14.06	16.10	30.16
		55.32	44.68	100

		2008		
		% Not poor	% Poor	
2002	% Not poor	71.37	2.68	74.06
	% Poor	19.98	5.96	25.94
		91.35	8.65	100

Table 6 Poverty status transitions in the Brazil panel using per capita household income

The importance of public policy: non-contributory pensions

- Both Brazil and South Africa have large scale non-contributory pension programmes (2.4 million beneficiaries in South Africa; 10 million beneficiaries in Brazil)

- Pension benefits are shared within households, providing a reliable income floor

- …they also ensure the inclusion of older people, and facilitate their contribution to their households and communities

More information:

Ageing, wellbeing and development website
http://www.sed.manchester.ac.uk/research/ageingandwellbeing/index.htm

Barrientos, A. and Lasso de la Vega, C. 2011. *Ageing, wellbeing and deprivation in later life: A multidimensional counting approach, Working Paper 151*, Manchester: Brooks World Poverty Institute. Available from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1876486

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