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# Over half SA households are food insecure

## Women must first pay for transport, electricity, debt

By Mervyn Abrahams

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*The current household food insecurity crisis in South Africa is not the result of the war in Ukraine, or drought, flooding or even global climate change, although all of these exacerbate the problem. It is endemic, rooted in conditions of colonialism and apartheid, and the source – as well as the solution – requires change at the level of political-economic transformation, according to MERVYN ABRAHAMS. This is an edited transcription of an interview with the Institute for African Alternatives in August.*

**S**outh Africa does not have an established culture of people growing their own food and most households procure their food from retailers and traders. They are net buyers of food, which takes the

issue of food insecurity into the area of affordability. The level of household income becomes a determinant of the level of food insecurity in many households.

In July 2022, the cost of a basket of 44 foods tracked monthly by the [Pietermaritzburg Economic Justice and Dignity Group](#) (PMBEJD) was R4,748.87. The basket contents are based on what women from low-income households tell us they try to purchase on a monthly basis if they have sufficient income. These women participate in PMBEJD focus groups and regularly track the best available prices of targeted foods at shops in their areas.<sup>1</sup>

The national minimum wage of R23.19 per hour amounted to a minimum monthly wage of R3,895.92 in July, which had 21 working days. This means the basket of food for a household of seven, which is an average size for a lower income household in South Africa, cannot be provided at the level of the national minimum wage. This refers only to basic foods that are “sufficient” for the household, and does not extend to nutrition-rich foods which are beyond the means of most households living at this level of poverty.

In most Black South African

households, only one family member works and he or she supports at least four people on that individual wage. If the household’s worker earns the national minimum wage the *per capita* monthly income for those dependant on that income is about R900 (PMBEJD, 2022:1).

This falls significantly below the upper-bound poverty line of R1,335.00 and barely clears the lower-bound poverty line of R890.00.

South Africa’s historic low wage trajectory, which originated in colonial times, has a major impact on the ability of households to secure or source sufficient food to meet their needs.

The factor of affordability must also take into account other necessary household expenditure, over and above basic foods, and consider how households divide their expenditure. We are told by the women who participate in the PMBEJD research that households prioritise four things *in the following order*:

### **PRIORITIES IN HOUSEHOLD SPENDING**

At the very top of the list of priorities is *transport*. Households who have someone who is employed know it is absolutely essential to ensure that

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the worker is able to get to work and back, otherwise that wage is at risk of being lost. This is exacerbated by our entrenched geography of apartheid which determines that workers in the lower income brackets tend to live further away from their place of work. Households also have to provide transport for work-seekers and for children attending school. Between January and June this year the price of fuel increased by about 25% and on 1 July a number of taxi associations increased the taxi fares by on average 7%, depending on which part of the country they are in, hence transport is a major item of expenditure for poor household.

The second priority, according to our focus groups, is *electricity*. Households need electricity for lighting, security, heating and cooking. Most of the staple foods South Africans eat require cooking, and therefore electricity becomes an extremely important expenditure item, one that impacts on food insecurity. This year we have seen electricity prices have increased at roughly 9%, dependent on the municipality, and over a three-year period electricity prices have increased by more than 20%.

The third priority in household



Photo credit: FoodforMzansi

monthly expenditure is *debt servicing*. Poorer households often cannot stretch their income to last until the end of the month and invariably have to take on debt to survive. Few people in these households qualify for a bank loan and debt usually takes the form of loans from informal sources. However, even though their debt is not in the formal sector, South African Reserve Bank increases in interest rates cascade down and lead to concomitant increases in the informal debt sector, which badly affects the poor.

*Food* is fourth on the list of priorities and is bought only after monies for transport, electricity and debts have been paid or set aside. Based on the estimated income of families living on a single minimum wage in July, this left only R1,764.42 for food and all other expenses. For the women food procurement is the only priority item in their monthly expenditure over which they have some control. When it comes to transport, electricity and debt servicing they are price-takers and they have no real choice over how much they spend. Only when it comes to purchasing food can they actually make decisions on the kind of food

they choose for their households, the quantity and the quality of the food.

From what money is left over after prioritised expenditure, households tend to buy their staples first. These are maize meal, rice, *samp*, white cake flour, white sugar, sugar beans, onions, potatoes, cooking oil, frozen chicken pieces, salt, tea, bread and stock cubes. The “first bought” foods are almost all starch-based foods that leave people feeling full, sufficiently or somewhat satisfied and that provides enough energy for the activities they need to engage in but these are not nutrient-rich foods. PMBEJD estimated that in July 2022 the foods procured first cost an average-sized poor-income family R2,586.15 per month, up from R2,263.60 in July last year.

The women only procure nutrient-rich foods, such as green leafy vegetables, fruit and other items that contribute to a varied diet, if they have money left over after their first choice food purchases, which is very often not possible in poor South African households.

The cost of the foods prioritised and bought first in the Household Food Basket is important because these are bought first to try to prevent families >>

from going hungry. When the prices of core foods increase, there is even less money for other important nutrient-rich foods, which are essential for health, wellbeing and strengthening the immune systems, such as meat, eggs and dairy which are critical for protein, iron and calcium; vegetables and fruit which provide vitamins, minerals and fibre; and *maas*, peanut butter and pilchards, which provide good fats, protein and calcium essential for children.

The data show that the core foods make up 54% of the total cost of the household food basket. Costing on average R2 586,15 (in July 2022), these foods are expensive in relation to the total amount of money available in the household purse. Yet staples must be procured, despite price escalations. High-cost staples result in the removal of nutritious food from the household's diet and relatively costly core foods impact negatively on the overall household health and wellbeing.

As food procurement comes only fourth on the list of household priorities and is dependent on what monies are left, food insecurity is thus directly linked to the prices of electricity, transport and debt-servicing and the interplay between these factors directly impacts on the quantity and quality of the food consumed in poor households.

The government assures us that a lot of the food that the women buy first are VAT zero-rated, which is true and very welcome. But our latest *Index* (July 2022) actually shows that the prices of the foods in the basket that are zero-rated have actually increased much faster and are under far greater inflationary pressure than the foods that include VAT. In July 2022, the month-on-month increase in the zero-rated foods stood at 2.4%, and the year-on-year price increased by 19% while the foods that include VAT show a month-to-month price increase of only 0.1% and a year-on-year increase of 10.5%. Foods that are excluded from VAT are actually not always the cheapest option or even affordable.

The brings the notion of VAT zero-rating of certain foods into question. Half the foods in the total household food basket (47%) are subject to VAT which comes to a total of R292.99. In other words 6.2% of the household food expenses is for VAT. The R292.99 tax is more than the cost of a large household's monthly requirement of 30kg of maize meal (in July 2022, 30kg of maize meal cost R283,54). PMBEJD believes all foods should be VAT-free, which would free up some money in the basket that could then be used differently and with greater discretion.

Nutritionists often call for nutrient-rich food to be made cheaper, but we have seen that zero-rated food can be more expensive. The emphasis on keeping food affordable must be on maintaining low prices for the food that is bought first so that households can then procure nutrient-rich food.

At the heart of food insecurity is the economic reality to do with levels of income and affordability. The approximately 55.5% of South African households that fall below the upper-bound poverty line are living in a state of food insecurity. Evidence of food insecurity is not found in the percentage of food-insecure people but rather in health statistics, which show the *impact* of food insecurity. For example, 30% of boy children and 25% of girl children under the age of five are stunted. Also, a major cause of death among Black South African women are non-communicable diseases – such as high blood pressure and diabetes – which provides clear evidence of the consequences of long-term under-nutrition.

There is also a gender dimension to under-nutrition. Women in our focus groups revealed they make sure the children get the best portions when they dish out a pot of food. The husband, as the worker, gets similar treatment – and they continue to be favoured if they happen to be unemployed, in accordance with cultural habits. This means the women take what is left and

thus are the ones least likely to get any nutrient-rich ingredients that may be in the meal.

The consumer behaviour of the poor shows a tendency to choose the less healthy foods. PMBEJD believes that we need to put more money into education about nutrition, but there is no point in trying to tell consumers that they have to buy nutritious food if they don't have the means to do so. To bring about behaviour change, people must first be provided with the economic means to adopt better nutrition practices. Education about nutrition can only be successful when people have the means to change their behaviour.

## **SOLUTIONS AT POLICY LEVEL**

PMBEJD argues that the level of social security grants must primarily be determined according to the cost of foods and should enable households to procure sufficient *and nutritious* food. In July 2022 a nutritious meal for children aged three to nine cost at least R721.15 per month and R788.21 for children between the ages of 10 and 13. Yet the Child Support Grant is currently R480 per month.

Much more is needed to ensure a healthy population in 15 or 20 years, which will in turn have an impact on the productivity of the workforce and therefore the deliverability of the country's economic goals. South Africa's economic growth is being stymied by food insecurity. Levels of productivity in the country are low because the levels of nutrition are low.

Policy decision-making either must ensure increases in transport and electricity prices and debt servicing costs do not exceed increases in income levels or must be directed towards increasing households' income levels. South Africa has to produce policy options that either keep inflation in the prices of priority items within a particular band or, if that is not possible, that increase levels of household income to meet these challenges.

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Photo credit: FoodforMzansi

The challenge of food insecurity requires South Africa to develop policy changes that mitigate our massive exposure to global factors such as fuel and fertiliser price increases. When it comes to fuel, we need infrastructural and logistical change to reduce South Africa’s exposure to increasing global fuel prices. This requires, for example, that we make far greater use of rail transport than road. However, here we encounter the challenges of state capture and corruption as Transnet has allowed our railway system to decline badly. The same applies to Eskom and the provision of electricity, particularly at affordable prices.

South Africa also has to move away from large-scale corporate agriculture and invest more in local food systems. If households could procure food that is produced closer to their local markets and retail outlets, produce would not have to be transported long distances, which would reduce fuel consumption and not only impact on agricultural food prices, but could also bring more people into the food economy. This requires effective long-term government planning and the development of appropriate policy, including at local government level, to help develop the smallholder farming sector, which in turn raises the issue of land distribution policy.

Another important change factor is the private sector, particularly the investors and retailers in the food system, who have far greater power than the consumers. Those at the top of the food system have the means to change it by systematically localising their procurement and distribution practices. This is not a demand for reductions in prices. What is needed is systemic change, which will take time and a firm, clear long-term policy.

In the meantime, it is necessary to change our culture around growing our own food supply. Any person or household with access to land and water should be encouraged to grow whatever food they can. On its own this is not the solution to food insecurity. There is no cooking oil tree and it is expensive to grow one’s own food. Most small-scale farmers cannot produce sufficient diversity in produce needed for a fully nutritious diet.

It is helpful to understand that “the market” does not only refer to Spar, Woolworths and Pick ‘n Pay. The market could be the neighbourhood or the community and payment could be made in kind, for example the exchange of home-grown spinach for eggs from a neighbour who keeps chickens.

However, people must first consume their own produce and any food that is left over could be exchanged or sold, possibly to local traders.

## CONCLUSION

We live in a world of open borders in which territorial conflicts spread beyond individual countries or specific regions; where pandemics will become much more prevalent and fast spreading; and where climate change is going to have an ever greater impact on the quality of life. All of these challenges will have global consequences and repercussions, not least on food production and delivery. These crises are part of our current reality and will increase in magnitude and impact over time.

We cannot advocate for a closed economy – South Africans like to eat rice and will continue to import rice as it does not have the conditions to grow it locally – but when it comes to food insecurity we need to be thinking in terms of long-term solutions to mitigate the challenges generated as a consequence of being part of the global economy. This requires intervention at the level of the political economy, which is where PMBEJD sees its contribution.

## REFERENCES

- Pietermaritzburg Economic Justice and Dignity Group (PMBEJD) Household Affordability Index. Available at <https://pmbejd.org.za/index.php/household-affordability-index/>
- PMBEJD, 2022. Household Affordability Index July 2022. Available at: <https://mail.google.com/mail/u/2/#search/mervyn%40pmbejd.org.za/QgrcJHsbvCQCvRNXqPjMlHNjVNGRBVQhtq?projecto r=1&messagePartId=0.1>

## ENDNOTE

- 1 The Household Food Basket in the Household Affordability Index has been designed together with women living on low incomes in Soweto, Alexandra, Tembisa, Hillbrow, Gugulethu, Philippi, Khayelitsha, Langa, Delft, Dunoon, KwaMashu, Umlazi, Isipingo, Durban CBD, Mtubatuba), Springbok and Pietermaritzburg. The women themselves track the food prices at 44 supermarkets and butchers that target the low-income market and which the women identified as those they shop at. **NA**