

BOOK REVIEW :

VERITY S. CUBITT AND ROGER C. RIDDELL:

THE URBAN POVERTY DATUM LINE

IN RHODESIA

During the last few years, and particularly since the labour unrest in Natal in 1973, the term 'Poverty Datum Line' has become familiar to the South African public. Unfortunately, however, it has not been well understood, and before appraising the book under review it would be as well to attempt to clear the semantic confusion which exists.

PDL studies in Southern Africa originated in the work of Professor Edward Batson in Cape Town in the late 1930's. The authentic PDL study in the Batson tradition is designed to measure the *extent of poverty* in a community; it does so by comparing the income of each house in a sample with a PDL calculated separately for each individual household. By adding 50 per cent onto the PDL of a household, that household's 'Effective Minimum Level (EML) is obtained. The PDL and EML then measure different levels of poverty. To the best of our knowledge the last such study in South Africa was that conducted by ourselves among East Rand Indians in 1969. Although some of the studies which have appeared since 1973 have used the term 'PDL', they have tended to be aimed at assisting in wage-setting. To this end, variations on the PDL theme were introduced by the Bureau of Market Research (BMR) with its concept of 'Minimum Subsistence Level' (MSL) and 'Humane Subsistence Level' (HSL), and the University of Port Elizabeth (UPE) with its 'Household Subsistence Level' (also abbreviated HSL). More recently, researchers from the BRM and the University of Natal met in Pretoria and reached a general agreement with regards to methodology and terminology; a new term, 'Minimum Living Level' (MLL) would be used in studies orientated towards the determination of wages, while the term 'PDL' would be confined to poverty studies undertaken in conjunction with household income studies. The fact that 'PDL' was substituted by

new terms was significant; it indicates that there were differences in methodology and, perhaps most important, that the researchers are not undertaking poverty studies.

The study by Miss Cubit and Mr. Riddell is need-orientated - it sets out to calculate the minimum income required to satisfy the minimum income required to satisfy the minimum consumption needs of families of different sizes. There is no attempt to cost more than the basic needs and thus no EML is calculated.

It is not, therefore, a PDL study in the traditional sense of the term - it makes no attempt to measure the extent of poverty. In fact it is more akin to an MLL study. Yet the authors in discussing the problem of naming the study (p.14) reject the idea of a new tag and chose to use 'PDL' because it is better known. We appreciate the difficulties facing the authors but although they correctly point out (p.14) that the public are confused as to the details of the PDL, they themselves contribute to the confusion surrounding the use of the term. In Chapter 1 they trace the development of the concept of the PDL, and maintain (p.4) that up to the time of Batson 'PDL studies can be seen as a clear development of the first studies on poverty conducted in Britain'. However, they go on to state that 'recent PDL studies in South Africa have tended to complicate our understanding both of what the PDL is supposed to be measuring and what it is meant to establish' (p. 4). They correctly state that the aim of the PDL is to assess the extent of poverty, but in almost the same breath they then quote the BMR study to the effect that it is not a poverty study. By its own admission, therefore, the BMR did not undertake a PDL study, yet this is one of the 'recent PDL studies in South Africa' which the authors criticise! On p.4 and again on p.14 they state that the PDL and MSL apparently describe the same concept - this despite the fact that the first MSL study of the BMR made it quite clear that it was not concerned with poverty and that it included additional component items.

The confusion which undoubtedly exists must be blamed not on the academics, who have their objectives clear, but on journalists and businessmen who have latched onto the term 'PDL' without a proper understanding of either the concept or its mechanics. To accuse South African academics of confusing the issue, as the authors do, is without justification.

The authors also state (p.4) that a previous publication by one of the present reviewers (*P.N. Pillay: A Poverty Datum Line Study Among Africans in Durban, 1973*) distinguished between the Primary and Secondary PDLs. This is not strictly true; Pillay (p.2) mentions the distinction but at no time does he calculate a Primary PDL and in fact (p.24) states that the distinction between the two levels serves no useful purpose. This distinction was, however, made in the work of Batson and others who followed him.

These criticisms notwithstanding there is much in Chapter 1 that is pertinent. Of particular importance is the discussion on p.6 relating to the construction of PDLs for different race groups. Many people find such an exercise abhorrent but, as the authors state, as long as institutional constraints on a racial basis (such as segregated residential areas) are present in a country, such exercises are valid.

The PDL usually consists of the following items: food, clothing, fuel and lighting, accommodation, transport and taxation. These are the only items which are regular and obligatory. The authors, however, make no provision for taxation and subsume cleansing materials in two items known as 'personal care and health' and 'replacement of household goods'. In addition, they include two further items, viz., education and the provision of post-employment consumption.

In Chapter 2 they calculate 'PDLs' for families of different size in Salisbury; in the following two chapters they do the same for Bulawayo and Fort Victoria respectively. These three chapters

afford a useful comparison of two cities and a small town and give the lie to a not uncommonly held view among the public that there can be such a thing as a national PDL. Regional differences in respect of the availability and popularity of certain foodstuffs, commodity prices, rental and transport costs, etc., are clearly illustrated. However, there is a great deal of repetition in these comparative studies which tends as a consequence to be tedious. The same is true of the summary chapter- was it necessary, for example, to repeat on pp. 116-117 the tables previously shown on pp. 53, 83 and 104? The authors could merely have referred to them in the text, and this summary as well as Chapters 3 and 4 could have been shortened.

There is little that is new in their discussion of the calculation of food, clothing, fuel and lighting, transport and accommodation costs, although it is always interesting to see the particular problems facing them in different areas and the way in which they adapt their methodology.

The difficulties inherent in attempting to arrive at an estimate for items which are not regular and obligatory are well illustrated in the case of 'personal care and health' (pp. 32-33). The methodology here involves so many guesstimates that its value is questionable.

In our opinion the authors' real contribution is to be found in their discussion of education and the provision of post-employment consumption.

On pp. 46-47 they make a powerful case for the inclusion of education costs. The most important aspect here relates to whether there are minimum educational qualifications necessary to obtain urban employment. According to the authors the minimum requirements for obtaining such jobs in Rhodesia are rising rather than falling; school-leavers with only a primary education find it increasingly difficult to obtain a job and the authors, therefore, base their method of calculation on government policy which is to provide

secondary education for a half of all pupils who complete their primary schooling.

The book makes a strong case for making provision for post-employment consumption, i.e. for retired couples. They mention the conditions under which urban workers might retire to rural areas, but realistically assume that they will continue to live in urban areas. In making their calculations the authors enlist the aid of a life insurance society; even then the difficulty of estimating a realistic monthly contribution is shown. Some provision for post-employment consumption is clearly necessary if no old-age pensions are provided; the authors do not state what the position is in Rhodesia but in South Africa, were such pensions are provided, this would not be a necessary item. This illustrates that the sort of calculation which might be necessary for one country are not necessarily applicable to other countries.

An attempt is also made to assess the 'PDL' costs for unmarried men. This is not the first such attempt but nevertheless represents a departure from the normal disregard of them; most studies concentrate only on households. This is an extremely useful discussion, covering the different needs of married and unmarried hostel dwellers, the adaptations which have been made in calculating the specific requirements of unmarried men, and the rural ties represented by cash remittances and expenditure on visits home. They point out that the concept of the unmarried man is short-term in nature; these men require to save for labola payments and the 'PDL' figure is an underestimate of their consumption needs.

One further statement of the authors deserves some attention. On p. 13 they appear uncritically to accept the findings of the British Parliamentary Select Committee on South African Wages that the EML should be the recommended minimum wage level. Leaving aside the conditions which obtain in South Africa, it is surprising that a Rhodesian study should make no reference to the problems

inherent in minimum wage regulations in less developed countries. The nearest that the book comes to mentioning this is in the Preface where it is emphasised that the study is not one of income requirements for individual wage-earners. So far so good. But it is equally important to mention, in a study of this nature, the adverse effects which such regulations might have on employment creation; these have indeed been mentioned in many recent works on LDCs, i.e., in the International Labour Office series on unemployment and by Professor Hans Singer of the University of Sussex who has in fact redefined dualism in terms of those with and those without jobs. This is one of the basic misrepresentations of the PDL concept, i.e., its adaptation for wage-setting purposes. It is measures such as the MLL which are really intended as guides to wage setting.

But, one might ask, if the PDL is not used as a guide to wage-setting, what is its practical use? Is the game worth a candle? The answer lies in its use as a measure of poverty. Many countries have constructed an official poverty line. However, subsistence measures of poverty, of which the PDL is a good example, have come under increasing criticism as being inadequate. Rather, poverty should be viewed as relative deprivation. In this respect, are we comparing urban Africans with the rest of the urban population or with rural Africans? We would argue that there are elements in both these comparisons which should be considered. For example, low-income urban Africans certainly suffer relative deprivation in comparison with urban Whites, but they may also be relatively deprived if they cannot afford to participate in certain traditional customs. Thus it has been argued that the EML, together with a deprivation index, should be devised as a measure of poverty (G. Maasdorp and A.S.B. Humphreys: *From Shantytown to Township, Juta, 1975*). The PDL is, of course, the basis for calculating the EML.

The authors point to two aspects which are also very relevant in South Africa, viz., first, the need for surveys of urban African dietary patterns, and second, the need for a comparative study of urban

and rural areas. The University of Rhodesia intends to undertake such a comparative study and we look forward eagerly to its publication.

The book contains an appendix showing various dietary tables as well as a useful bibliography.

Despite the above criticisms and reservations, we regard this as a useful book. The authors have been meticulous in their calculations and have paid more attention than usual to small items. This book is a welcome addition to the poverty / wages debate in Southern Africa.

Gavin Maasdorp
Nesen Pillay

Dept. of Economics
University of Natal