



DECOMPOSING GENDER GAPS IN HOUSEHOLD WELFARE: INCOME, EXPENDITURE AND LIVING CONDITIONS IN SOUTH AFRICA

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This study examines gender disparities in household welfare in South Africa, with a particular focus on decomposing the underlying sources of inequality between male- and female-headed households. Gender disparities in household welfare remain a persistent challenge in South Africa, despite the country's extensive social protection system and longstanding poverty-reduction efforts. Using nationally representative data from the 2022/2023 Income and Expenditure Survey (IES), the analysis combines survey-weighted descriptive statistics, multivariate regression, Oaxaca-Blinder decomposition, and quantile regression to assess both the magnitude and distribution of welfare gaps between female- and male-headed households. The results reveal a large and statistically significant welfare gap that disadvantages female-headed households. On average, female-headed households experience substantially lower per capita consumption, higher dependency burdens, and greater reliance on social protection. Multivariate regression results show that while differences in age, education, household size, and settlement type explain part of the observed gap, a persistent welfare penalty associated with female headship remains after controlling for these characteristics. The Oaxaca-Blinder decomposition indicates that approximately 58 percent of the welfare gap is explained by differences in endowments, particularly education, household composition, and settlement type. In comparison, 42 percent remains unexplained, reflecting unequal returns to characteristics and deeper structural disadvantages. Quantile regression results further demonstrate that gender-based welfare disparities are most pronounced at the lower end of the welfare distribution, highlighting heightened vulnerability among poorer female-headed households. These findings underscore the deeply structural and distributional nature of gendered welfare inequality in South Africa. The study highlights the need for gender-responsive social protection, improved access to quality employment, and targeted interventions addressing spatial and care-related constraints to reduce persistent welfare disparities and promote inclusive development in a post-pandemic, high-inequality context.

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INTRODUCTION

Gender inequality remains a defining feature of socioeconomic life in many developing and middle-income countries, shaping individuals' access to resources, labour markets, and opportunities for upward mobility.¹ In South Africa, these inequalities are deeply rooted in historical processes of racialised exclusion, patriarchal norms, and spatial segregation, which continue to structure contemporary economic outcomes.² Although South Africa is classified as an upper-middle-income economy, it remains one of the most unequal societies globally, with poverty and economic vulnerability disproportionately concentrated among women and children.³ Female-headed households, in particular, occupy a structurally disadvantaged position within South Africa's welfare landscape. These households are more likely to rely on unstable income sources, informal employment, and social grants, while simultaneously bearing a disproportionate share of unpaid care responsibilities.⁴ As a result, female headship has become a key marker of economic vulnerability. A growing body of evidence shows that female-headed households face higher risks of poverty, food insecurity, and financial precarity compared to male-headed households.⁵ However, much of the existing literature relies on older datasets, focuses primarily

¹ N Kabeer, 'Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment' (1999) 30(3) *Development and Change* 435; World Bank, *World Development Report: Gender Equality and Development* (World Bank 2012); World Bank, *South Africa Economic Update: Addressing Inequality in South Africa* (World Bank 2022).

² J Seekings and N Nattrass, *Class, Race, and Inequality in South Africa* (Yale University Press 2005); D Posel and M Rogan, 'Gendered Trends in Poverty in the Post-Apartheid Period' (2012) 29(2) *Development Southern Africa* 237.

³ Statistics South Africa, *Income and Expenditure Survey 2022/2023* (Statistics South Africa 2023); World Bank, *South Africa Economic Update: Addressing Inequality in South Africa* (World Bank 2022).

⁴ D Budlender, *The Statistical Evidence on Care and Non-Care Work Across Six Countries* (UNRISD 2008); M Rogan, 'Gender and Multidimensional Poverty in South Africa' (2016) 22(1) *Feminist Economics* 1.

⁵ D Posel and M Rogan, 'Gendered Trends in Poverty in the Post-Apartheid Period' (2012) 29(2) *Development Southern Africa* 237; M Rogan and J Reynolds, 'Schooling Inequality, Higher Education and the Labour Market' (2016) 33(3) *Development Southern Africa* 343.

on income-based poverty measures, or treats gender as a secondary control variable rather than as a central analytical lens.

Importantly, relatively little attention has been paid to understanding why gender gaps in household welfare persist. Existing studies often document gender disparities without disentangling whether these gaps are driven by differences in observable characteristics—such as education, employment, household composition, or location—or by deeper structural and institutional constraints that systematically disadvantage women through unequal returns to these characteristics⁶. Addressing this distinction is crucial for policy design, as interventions aimed solely at improving women's endowments may be insufficient if structural inequalities remain unaddressed. This study seeks to address these gaps by providing updated, post-pandemic evidence on gendered welfare inequality in South Africa using data from the Income and Expenditure Survey (IES) 2022/2023. Unlike income-based measures, consumption expenditure offers a more stable and reliable indicator of long-term living standards, particularly in contexts characterised by high informality, income volatility, and underreporting.⁷ By focusing on real per capita household consumption expenditure, this paper provides a more accurate assessment of household economic well-being. In this context, female headship is not merely a demographic classification, but a meaningful indicator of gendered exposure to labour-market risk, care responsibilities, and institutional constraints that shape households' ability to translate resources into welfare.

The paper makes three key contributions to the literature. First, it documents the magnitude of gender gaps in household welfare using the most recent nationally representative data available for South Africa. Second, it applies the Oaxaca–Blinder decomposition to disentangle the extent to which observed welfare gaps are driven by differences in

⁶ S Klasen, 'Low Schooling for Girls, Slower Growth for All?' (2002) 16(3) *World Bank Economic Review* 345; S Seguino, 'Gender, Distribution and Balance of Payments Constrained Growth' (2010) 22(3) *Review of Political Economy* 373.

⁷ A Deaton and S Zaidi, *Guidelines for Constructing Consumption Aggregates for Welfare Analysis* (World Bank 2002); B D Meyer and J X Sullivan, 'Consumption and Income Inequality in the US Since the 1960s' (2017) 125(2) *Journal of Political Economy* 1.

endowments versus differences in returns, thereby providing direct evidence on the role of structural gender disadvantage.⁸ Third, it examines how gender-based welfare disparities vary across the welfare distribution using quantile regression, offering insights into whether gender inequality is more severe among poorer households.⁹

Understanding the mechanisms underlying gendered welfare disparities is critical for effective policy design. While South Africa has an extensive social protection system including child support grants and old-age pensions, these instruments often treat poverty as gender-neutral and do not adequately address structural barriers faced by women in labour markets, asset ownership, and access to productive opportunities.¹⁰ Without a gender-responsive framework, such interventions risk alleviating short-term deprivation while leaving underlying inequalities intact. By identifying both the sources and distribution of gendered welfare gaps, this study provides evidence to inform more targeted and structurally grounded policy responses. Unlike existing studies that focus primarily on descriptive gender differences, this study employs decomposition techniques to distinguish between differences arising from observable characteristics and those driven by structural inequalities.

THEORETICAL FRAMEWORK

This study is informed by three interconnected theoretical perspectives that provide a foundation for understanding gendered disparities in household welfare.

⁸ R Oaxaca, 'Male-Female Wage Differentials in Urban Labor Markets' (1973) 14(3) *International Economic Review* 693; A S Blinder, 'Wage Discrimination: Reduced Form and Structural Estimates' (1973) 8(4) *Journal of Human Resources* 436; N Fortin, T Lemieux and S Firpo, 'Decomposition Methods in Economics' in O Ashenfelter and D Card (eds), *Handbook of Labor Economics* (Elsevier 2011).

⁹ M Rogan and J Reynolds, 'Schooling Inequality, Higher Education and the Labour Market' (2016) 33(3) *Development Southern Africa* 343.

¹⁰ S Hassim, *Women's Organizations and Democracy in South Africa* (University of Wisconsin Press 2006); UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development* (UN Women 2018).

First, feminist economics provides the overarching analytical lens. This perspective emphasises that gender inequality is not simply the result of individual-level differences in skills or preferences. Still, it is deeply embedded in institutional structures, social norms, and labour-market segmentation.¹¹ From this viewpoint, female-headed households may experience systematic disadvantages due to unequal access to economic opportunities, disproportionate care responsibilities, and structural constraints that limit their ability to translate resources into welfare.

Second, human capital theory¹² informs the selection of key explanatory variables, particularly education and age. This framework posits that investments in human capital enhance productivity and earnings potential, thereby improving welfare outcomes. However, in the presence of gender inequality, similar levels of human capital may yield different returns for men and women. This study therefore not only examines differences in endowments but also tests whether returns to education and experience differ systematically by gender.

Third, institutional approaches to inequality highlight the role of structural and spatial factors in shaping economic outcomes¹³. In the South African context, historical processes of apartheid-era spatial segregation, combined with persistent labour-market inequalities and uneven access to services, continue to influence household welfare. These institutional dynamics are particularly relevant for understanding the concentration of female-headed households in traditionally disadvantaged areas and their associated welfare outcomes.

The empirical strategy adopted in this study is closely aligned with these theoretical perspectives. The Oaxaca–Blinder decomposition provides a

¹¹ N Kabeer, 'Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment' (1999) 30(3) *Development and Change* 435; S Seguino, 'Gender, Distribution and Balance of Payments Constrained Growth' (2010) 22(3) *Review of Political Economy* 373.

¹² G Becker, *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education* (University of Chicago Press 1964).

¹³ J Seekings and N Nattrass, *Class, Race, and Inequality in South Africa* (Yale University Press 2005).

useful framework for operationalising the distinction between differences in endowments (consistent with human capital theory) and differences in returns to those endowments (consistent with feminist and institutional explanations of structural inequality). By combining this approach with distributional analysis, the study offers a comprehensive assessment of both the sources and the nature of gendered welfare disparities.

DATA AND METHODOLOGY

To further examine the sources of inequality, the study applies the Oaxaca–Blinder decomposition technique to quantify the contribution of endowments and returns to the observed welfare gap.

Data Source

This study uses data from the Income and Expenditure Survey (IES) 2022/2023 conducted by Statistics South Africa (Stats SA). The IES is a nationally representative household survey designed to collect detailed information on household income, consumption expenditure, demographic characteristics, and living conditions. It is the primary source used for constructing South Africa's poverty lines and Consumer Price Index (CPI) weights, making it particularly suitable for welfare and inequality analysis.

The survey employs a stratified multi-stage sampling design, covering all nine provinces and both urban and rural areas. Household-level sampling weights are provided to ensure national representativeness. All analyses in this study apply these survey weights and account for the complex survey design.

Analytical Sample

The analytical sample is restricted to households with complete information on:

- Household expenditure
- Household income
- Gender of the household head
- Key demographic and socioeconomic variables

After data cleaning and merging household and geographic files, the final sample consists of 19,940 households, representing approximately 21.3 million individuals nationally when survey weights are applied

Measurement of Household Welfare

Outcome Variable

Household welfare is proxied by real per capita household consumption expenditure. Consumption expenditure is preferred to income for welfare analysis because it is less volatile, better reflects long-term living standards, and is less prone to underreporting particularly in contexts characterised by informality and irregular earnings¹⁴. Per capita expenditure is used instead of equivalence scales to maintain transparency and comparability with official South African poverty and inequality analyses based on the IES.

Total household expenditure is divided by household size to obtain per capita expenditure. To reduce skewness and allow for elasticity-based interpretation, the natural logarithm of per capita expenditure is used in regression and decomposition analyses:

$$\ln(W_i) = \ln(\text{Per capita household consumption expenditure})$$

¹⁴ A Deaton and S Zaidi, Guidelines for Constructing Consumption Aggregates for Welfare Analysis (World Bank 2002); B D Meyer and J X Sullivan, 'Consumption and Income Inequality in the US Since the 1960s' (2017) 125(2) *Journal of Political Economy* 1.

All monetary values are expressed in **real terms**, using survey-consistent deflators.

Key Explanatory Variable

The main variable of interest is gender of the household head, coded as a binary indicator:

- female_head = 1 if the household is female-headed
- female_head = 0 if the household is male-headed

Female headship is treated as a socially meaningful indicator of household decision-making authority and economic responsibility, reflecting gendered access to labour markets, assets, and social protection.

Control Variables

The analysis controls for a rich set of covariates that are known to influence household welfare and may differ systematically by gender:

- **Age of household head** (years)
- **Education of household head**
- **Household size**
- **Settlement type**, classified as:
 - Urban
 - Traditional
 - Farms
- **Provincial location** (where applicable)

These controls allow the analysis to isolate the welfare effect associated with female headship from confounding demographic and spatial factors.

Empirical Strategy

The empirical strategy proceeds in three complementary stages, moving from average differences to structural explanations and distributional heterogeneity.

Mean Welfare Differences

First, gender differences in household welfare are examined using survey-weighted descriptive statistics, comparing mean outcomes between male- and female-headed households. Differences are tested for statistical significance using design-based tests that account for the complex survey structure.

Multivariate Regression Analysis

To estimate the conditional association between gender of the household head and household welfare, the study estimates the following survey-weighted Ordinary Least Squares (OLS) model:

$$\ln(W_i) = \alpha + \beta F_i + \gamma X_i + \varepsilon_i$$

Where:

- W_i denotes household welfare
- F_i is a dummy variable indicating female headship
- X_i is a vector of control variables
- β captures the conditional gender welfare gap

A negative and statistically significant coefficient on F_i indicates a welfare penalty associated with female headship after controlling for observable characteristics.

Robust standard errors are used to correct for heteroskedasticity, and all estimations incorporate household survey weights.

Oaxaca–Blinder Decomposition

To identify the sources of the observed gender welfare gap, the study applies the Oaxaca–Blinder decomposition technique ¹⁵. This method decomposes the mean welfare differential between male- and female-headed households into three components:

1. **Explained component:** differences in observable characteristics (endowments)
2. **Unexplained component:** differences in returns to characteristics
3. **Interaction component:** joint effect of differences in characteristics and returns

Formally:

$$\bar{Y}_m - \bar{Y}_f = (\bar{X}_m - \bar{X}_f)\beta_f + \bar{X}_f(\beta_m - \beta_f) + (\bar{X}_m - \bar{X}_f)(\beta_m - \beta_f)$$

Male-headed households are used as the reference group. Survey weights are applied to ensure nationally representative decomposition estimates.

The unexplained component is interpreted as capturing structural and institutional gender disadvantages, including unequal returns to education, age, and location.

Distributional Analysis (Quantile Regression)

To assess whether gender welfare gaps vary across the distribution of household welfare, the study estimates **quantile regressions** at selected quantiles (10th, 25th, 50th, 75th, and 90th percentiles):

$$Q_\tau(\ln W_i | X_i) = \alpha_\tau + \beta_\tau F_i + \gamma_\tau X_i$$

¹⁵ R Oaxaca, ‘Male–Female Wage Differentials in Urban Labor Markets’ (1973) 14(3) International Economic Review 693; A S Blinder, ‘Wage Discrimination: Reduced Form and Structural Estimates’ (1973) 8(4) Journal of Human Resources 436.

This approach allows the analysis to examine whether female-headed households face greater disadvantage among poorer households compared to better-off households.

Data Cleaning and Estimation

Extreme values in expenditure variables are winsorised at the 1st and 99th percentiles. Observations with missing values in key variables are excluded using listwise deletion after confirming that missingness does not follow systematic patterns. All analyses are conducted using **Stata 18**.

RESULTS

Descriptive Statistics

Table 1: Demographic Characteristics by Gender of Household Head

Variable	Male-headed	Female-headed
Age of household head (years)	43.88	50.00
Household size	2.96	3.70
Education attainment level (head)	14.01	15.91

Notes:

- Estimates are survey-weighted using IES 2022/2023 household weights.
- Means are reported.
- Source: Income and Expenditure Survey (IES) 2022/2023, Statistics South Africa.

Table 1 presents survey-weighted demographic characteristics by gender of the household head. Female-headed households are headed by significantly older individuals, with an average age of 50 years compared to 44 years among male-headed households. This reflects demographic patterns associated with widowhood, divorce, and delayed household

formation among women. Female-headed households are also larger on average, with approximately 3.7 members compared to 3.0 members in male-headed households, suggesting higher dependency burdens that may place pressure on household resources.

Interestingly, Female household heads exhibit higher average educational attainment levels relative to male household heads. Despite this advantage in educational attainment, subsequent results show that female-headed households continue to experience lower welfare outcomes, highlighting the presence of unequal returns to human capital and broader structural gender disadvantages within the South African economy. This pattern motivates the multivariate and decomposition analyses that follow, which disentangle the extent to which observed welfare gaps are driven by differences in characteristics versus differences in returns. This apparent paradox strengthens the case for decomposition analysis, as it suggests that gendered welfare gaps are unlikely to be driven solely by differences in human capital

Table 2: Household Welfare Outcomes by Gender of Household Head (IES 2022/2023)

Table 2 presents survey-weighted estimates of household welfare outcomes by gender of the household head using data from the Income and Expenditure Survey (IES) 2022/2023. Household welfare is proxied by both total and per capita measures of consumption expenditure and income, allowing for a comprehensive assessment of gendered economic disparities in South Africa.

Variable	Male-headed households	Female-headed households	Difference (F – M)	p-value
Real per capita expenditure (ZAR/year)	66,770.11	50,649.60	-16,120.51	0.000***

Total household expenditure (ZAR/year)	153,878.30	119,285.50	−34,592.80	0.000***
Real per capita income (ZAR/year)	96,250.80	64,283.46	−31,967.34	0.000***
Total household income (ZAR/year)	234,178.60	154,435.20	−79,743.40	0.000***

Gender gaps in consumption-based welfare

The results reveal substantial and statistically significant gender disparities in household welfare, consistently disadvantaging female-headed households. Male-headed households record a mean real per capita consumption expenditure of ZAR 66,770 per year, compared to ZAR 50,650 among female-headed households. This difference of approximately ZAR 16,121 represents a 24 percent welfare gap, indicating markedly lower living standards in women-led households.

Consumption expenditure is widely regarded as a more reliable indicator of long-term welfare than income, particularly in contexts characterised by income volatility, informality, and underreporting¹⁶. The observed gap therefore reflects persistent differences in households' ability to meet basic needs and maintain stable living conditions. Consistent with Engel's Law, lower per capita consumption among female-headed households signals greater vulnerability to poverty and economic shocks, especially in periods of rising food and energy prices.

¹⁶ R Oaxaca, 'Male-Female Wage Differentials in Urban Labor Markets' (1973) 14(3) *International Economic Review* 693; A S Blinder, 'Wage Discrimination: Reduced Form and Structural Estimates' (1973) 8(4) *Journal of Human Resources* 436.

Total household resources and economies of scale

The gender disparity extends to total household expenditure. Male-headed households spend, on average, ZAR 153,878 per year, while female-headed households spend ZAR 119,286, yielding a difference of ZAR 34,593. This gap highlights constrained aggregate resources in female-headed households, even before accounting for household size and dependency burdens.

Given that female-headed households in South Africa often support children, elderly members, or unemployed adults, lower total expenditure implies tighter budget constraints and reduced scope for smoothing consumption over time ¹⁷. These constraints may force female-headed households to prioritise immediate consumption needs over investments in education, health, or productive assets, thereby reinforcing intergenerational poverty traps ¹⁸.

Income disparities and labour-market exclusion

Income-based measures further reinforce the picture of gendered economic disadvantage. Real per capita income among male-headed households averages ZAR 96,251 per year, compared to ZAR 64,283 for female-headed households—a gap of nearly ZAR 32,000. At the aggregate level, total household income for male-headed households exceeds that of female-headed households by almost ZAR 80,000 per year.

These large income differentials reflect persistent gender inequalities in labour-market participation, earnings, and job quality. Female household heads are more likely to be employed in informal, low-paying, or unstable

¹⁷ D Posel and M Rogan, 'Gendered Trends in Poverty in the Post-Apartheid Period' (2012) 29(2) *Development Southern Africa* 237; M Rogan, 'Gender and Multidimensional Poverty in South Africa' (2016) 22(1) *Feminist Economics* 1.

¹⁸ N Kabeer, 'Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment' (1999) 30(3) *Development and Change* 435; S Seguino, 'Gender, Distribution and Balance of Payments Constrained Growth' (2010) 22(3) *Review of Political Economy* 373.

work, and face barriers related to care responsibilities, occupational segregation, and discrimination ¹⁹. As a result, income shortfalls among female-headed households translate directly into lower consumption and welfare outcomes.

Structural and gendered dimensions of welfare inequality

Importantly, the consistency of the gender gap across both income and consumption measures suggests that these disparities are not transitory or driven solely by short-term shocks. Instead, they reflect structural and gendered constraints that systematically limit women's access to economic opportunities and resources. The fact that female-headed households exhibit significantly lower welfare even when consumption is used as the outcome underscores the depth of gender inequality in South Africa's socioeconomic landscape ²⁰.

These findings align with earlier studies documenting the feminisation of poverty in South Africa and other middle-income countries, where female headship is associated with heightened vulnerability and economic insecurity ²¹. They also motivate the multivariate and decomposition analyses that follow, which seek to disentangle the extent to which observed welfare gaps are driven by differences in characteristics—such as education, employment, and household composition—versus unequal returns to these characteristics rooted in structural disadvantage ²².

¹⁹ D Casale and D Posel, 'Gender Differences in Labour Market Outcomes in South Africa' (2011) 17(2) *Feminist Economics* 1; S Klasen, 'Low Schooling for Girls, Slower Growth for All?' (2002) 16(3) *World Bank Economic Review* 345.

²⁰ J Seekings and N Nattrass, *Class, Race, and Inequality in South Africa* (Yale University Press 2005); World Bank, *World Development Report: Gender Equality and Development* (World Bank 2012); World Bank, *South Africa Economic Update: Addressing Inequality in South Africa* (World Bank 2022).

²¹ M Rogan and J Reynolds, 'Schooling Inequality, Higher Education and the Labour Market' (2016) 33(3) *Development Southern Africa* 343; S Chant, 'Female-Headed Households in Developing Countries: Diversity and Dynamism in the Feminisation of Poverty' (2010) 44(7) *Journal of Development Studies* 980.

²² A S Blinder, 'Wage Discrimination: Reduced Form and Structural Estimates' (1973) 8(4) *Journal of Human Resources* 436; R Oaxaca, 'Male-Female Wage Differentials in Urban

Table 3: Settlement Type by Gender of Household Head (Row Percentages)

Settlement type	Male-headed households (%)	Female-headed households (%)
Urban	58.8	41.2
Traditional	48.8	51.2
Farms	68.7	31.3
Total	56.6	43.4

Table 3 presents the distribution of households across settlement types by gender of the household head, using the official Statistics South Africa settlement classification distinguishing urban areas, traditional areas, and farms. The results reveal a statistically significant association between settlement type and gender of household head (design-based $F = 87.11$, $p < 0.01$), indicating that female headship is unevenly distributed across spatial contexts.

In urban areas, male-headed households account for approximately 58.8 percent, while 41.2 percent are female-headed. Although male headship remains dominant, the relatively high share of female-headed households in urban areas reflects processes of urbanisation, labour migration, and changing household structures, particularly the growth of single-parent and woman-led households in cities.²³

In traditional areas, female-headed households constitute a slight majority (51.2 percent), exceeding male-headed households (48.8 percent). This pattern is consistent with long-standing evidence that women are more likely to head households in former homeland areas due to persistent male

Labor Markets' (1973) 14(3) International Economic Review 693; N Fortin, T Lemieux and S Firpo, 'Decomposition Methods in Economics' in O Ashenfelter and D Card (eds), *Handbook of Labor Economics* (Elsevier 2011).

²³ D Posel and M Rogan, 'Gendered Trends in Poverty in the Post-Apartheid Period' (2012) 29(2) *Development Southern Africa* 237; M Rogan, 'Gender and Multidimensional Poverty in South Africa' (2016) 22(1) *Feminist Economics* 1.

labour migration, unemployment, and the spatial separation of families.²⁴ Traditional areas are also characterised by limited labour-market opportunities and weaker service provision, which further compound the economic vulnerability of female-headed households.

In farm areas, male-headed households are overwhelmingly dominant (68.7 percent), with female-headed households accounting for only 31.3 percent. This reflects the gendered nature of farm ownership, agricultural employment, and tenure systems in South Africa, where men continue to have preferential access to land, formal employment, and decision-making authority within farm settings.²⁵

Overall, the spatial distribution of female-headed households highlights the intersection of gender and geography in shaping household welfare outcomes. Female headship is disproportionately concentrated in traditional areas, which are historically disadvantaged and structurally marginalised. This spatial concentration helps explain the lower welfare outcomes observed among female-headed households in earlier tables and underscores the importance of incorporating spatial controls in multivariate and decomposition analyses. These findings reinforce the argument that gendered welfare inequalities in South Africa are deeply embedded in both structural gender relations and spatial legacies of apartheid.²⁶

Table 4: OLS Estimates of Gender Differences in Household Welfare

Variable	Coefficient	Std. Error
Female-headed household	−0.207*	(0.015)

²⁴ D Budlender, *The Statistical Evidence on Care and Non-Care Work Across Six Countries* (UNRISD 2008); J Seekings and N Nattrass, *Class, Race, and Inequality in South Africa* (Yale University Press 2005).

²⁵ E Duflo, ‘Women Empowerment and Economic Development’ (2012) 50(4) *Journal of Economic Literature* 1051; S Klasen, ‘Low Schooling for Girls, Slower Growth for All?’ (2002) 16(3) *World Bank Economic Review* 345.

²⁶ S Hassim, *Women’s Organizations and Democracy in South Africa* (University of Wisconsin Press 2006); M Rogan and J Reynolds, ‘Schooling Inequality, Higher Education and the Labour Market’ (2016) 33(3) *Development Southern Africa* 343.

Age of household head	0.0068*	(0.0005)
Education attainment level	0.0053*	(0.0004)
Household size	−0.209*	(0.003)
Settlement type: Traditional	−0.485*	(0.013)
Settlement type: Farms	−0.351*	(0.037)
Constant	10.966*	(0.024)
Observations	19,940	
R ²	0.313	

Multivariate regression results

Table 4 presents survey-weighted OLS estimates of the association between gender of the household head and real per capita household consumption expenditure. Controlling for age, education, household size, and settlement type, female-headed households exhibit a statistically significant welfare penalty of approximately 0.21 log points relative to male-headed households ($p < 0.01$). This corresponds to roughly a 19–21 percent lower level of per capita consumption, holding other characteristics constant, consistent with prior evidence on gendered welfare inequality in South Africa.²⁷

Household size exerts a strong negative effect on welfare, reflecting substantial dilution of resources in larger households, particularly in contexts characterised by high dependency burdens.²⁸ Education and age of the household head are positively associated with welfare, indicating higher consumption levels among more educated and experienced heads, in line with human capital theory and empirical evidence from developing

²⁷ D Posel and M Rogan, 'Gendered Trends in Poverty in the Post-Apartheid Period' (2012) 29(2) *Development Southern Africa* 237; M Rogan, 'Gender and Multidimensional Poverty in South Africa' (2016) 22(1) *Feminist Economics* 1.

²⁸ N Kabeer, 'Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment' (1999) 30(3) *Development and Change* 435; A Deaton and S Zaidi, *Guidelines for Constructing Consumption Aggregates for Welfare Analysis* (World Bank 2002).

economies.²⁹ Spatial effects are pronounced: households residing in traditional and farm areas experience significantly lower welfare relative to urban households, underscoring persistent spatial inequalities rooted in historical and institutional.³⁰

Importantly, the persistence of a large and statistically significant female-head coefficient after controlling for observable characteristics suggests that gendered welfare disparities are not fully explained by differences in endowments. This finding aligns with literature emphasising unequal returns to human capital and labour-market participation faced by women³¹ and motivates the subsequent Oaxaca–Blinder decomposition, which explicitly disentangles endowment effects from structural differences in returns.

Table 5: Oaxaca–Blinder Decomposition of Gender Welfare Gap

To better understand the drivers of the observed gender gap, a decomposition analysis was conducted to separate the effects of differences in characteristics from differences in returns to those characteristics.

Dependent variable: ln (real per capita household consumption expenditure)

Component	Coefficient	Std. Error	z-stat	p-value
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²⁹ S Klasen, ‘Low Schooling for Girls, Slower Growth for All?’ (2002) 16(3) World Bank Economic Review 345; B D Meyer and J X Sullivan, ‘Consumption and Income Inequality in the US Since the 1960s’ (2017) 125(2) Journal of Political Economy 1.
³⁰ J Seekings and N Nattrass, Class, Race, and Inequality in South Africa (Yale University Press 2005); World Bank, World Development Report: Gender Equality and Development (World Bank 2012); World Bank, South Africa Economic Update: Addressing Inequality in South Africa (World Bank 2022).
³¹ A S Blinder, ‘Wage Discrimination: Reduced Form and Structural Estimates’ (1973) 8(4) Journal of Human Resources 436; N Fortin, T Lemieux and S Firpo, ‘Decomposition Methods in Economics’ in O Ashenfelter and D Card (eds), Handbook of Labor Economics (Elsevier 2011).

Male-headed households (Group 1)	10.594	0.011	958.50	0.000
Female-headed households (Group 2)	10.252	0.012	833.85	0.000
Total gender gap	0.342	0.017	20.71	0.000
Explained component (Endowments)	0.155	0.010	15.93	0.000
Unexplained component (Coefficients)	0.230	0.015	15.60	0.000
Interaction component	-0.043	0.007	-5.80	0.000

The total gap represents the difference in mean log per capita consumption between male- and female-headed households.

The explained component reflects differences in observable characteristics.

☒ The unexplained component captures differences in returns to characteristics.

☒ The interaction term reflects simultaneous differences in endowments and returns.

☒ Estimates are based on IES 2022/2023 (weighted).

☒ *** $p < 0.01$.

Table 6: Detailed Decomposition of the Explained Component (Endowments)

Variable	Contribution	Std. Error	z-stat	p-value
Age of household head	-0.028	0.004	-6.28	0.000
Education of household head	-0.004	0.001	-4.38	0.000
Household size	0.161	0.008	19.39	0.000
Settlement type: Traditional areas (settle_2)	0.035	0.003	11.32	0.000
Settlement type: Farms (settle_3)	-0.009	0.002	-4.59	0.000

Total component	explained	0.155	—	—	—
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Explained Component of the Gender Welfare Gap

Table 6 decomposes the explained component of the gender welfare gap in real per capita consumption expenditure. Differences in observable characteristics account for 0.155 log points, corresponding to approximately 58 percent of the total gap. The dominant contributor is household size (0.161, $p < 0.01$), indicating that higher dependency burdens among female-headed households substantially widen the welfare gap. Settlement type also plays a significant role: overrepresentation of female-headed households in traditional areas contributes positively to the gap (0.035, $p < 0.01$), reflecting spatial disadvantage and limited economic opportunities in these locations. In contrast, residence in farm areas slightly offsets the gap (-0.009 , $p < 0.01$), though the magnitude of this effect is small.

Differences in age (-0.028 , $p < 0.01$) and education (-0.004 , $p < 0.01$) reduce the explained gap, suggesting that female household heads possess demographic and human capital characteristics that partially counteract welfare disadvantage. However, these equalising effects are outweighed by the adverse impacts of household composition and spatial location. Overall, the explained component indicates that gendered welfare disparities are driven primarily by demographic pressure and spatial inequality, rather than deficits in education or age-related experience.

Table 7: Decomposition of the Unexplained Component (Coefficients)

Variable	Contribution	Std. Error	z- stat	p- value
Returns to age	0.225	0.049	4.60	0.000
Returns to education	0.140	0.017	8.19	0.000
Returns to household size	0.045	0.025	1.81	0.070

Returns to traditional areas	-0.029	0.008	-3.70	0.000
Returns to farms	0.004	0.002	1.65	0.099
Constant (structural factors)	-0.154	0.050	-3.08	0.002
Total unexplained component	0.230	—	—	—

Unexplained Component of the Gender Welfare Gap

Table 7 presents the unexplained component of the Oaxaca–Blinder decomposition, which accounts for 0.230 log points, or approximately 42 percent of the total gender welfare gap. This component captures differences in the returns to observable characteristics and unobserved structural factors.

The largest contributors are returns to age (0.225, $p < 0.01$) and returns to education (0.140, $p < 0.01$), indicating that comparable age-related experience and educational attainment translate into significantly higher welfare outcomes for male-headed households. Returns to household size are positive but only marginally significant (0.045, $p < 0.10$), suggesting limited but non-negligible differences in how household composition affects welfare by gender.

Returns associated with traditional areas are negative (-0.029 , $p < 0.01$), implying that spatial location penalises female-headed households more strongly in these settings, while returns to farm residence are small and weakly significant. The negative and statistically significant constant term (-0.154 , $p < 0.01$) points to the presence of unobserved structural and institutional factors that systematically disadvantage female-headed households beyond measured characteristics.

Overall, the unexplained component provides strong evidence of unequal returns to human capital, demographic characteristics, and location, consistent with persistent structural gender inequality in household welfare outcomes. The unexplained component suggests that female-

headed households receive systematically lower returns to education and age-related experience, indicating structural disadvantages in labour markets and economic institutions. These findings are consistent with evidence of gendered labour-market segmentation and unequal remuneration in South Africa.³²

Table 8: Interaction Component of the Oaxaca–Blinder Decomposition

Variable	Contribution	Std. Error	z-stat	p-value
Age of household head	−0.028	0.006	−4.52	0.000
Education of household head	−0.017	0.003	−6.05	0.000
Household size	−0.009	0.005	−1.80	0.071
Traditional areas	0.008	0.002	3.57	0.000
Farms	0.003	0.002	1.61	0.108

Interaction Component of the Gender Welfare Gap

The interaction component captures the joint effect of differences in characteristics and differences in returns between male- and female-headed households. As shown in Table 8, interaction effects contribute modestly but significantly to the overall gender welfare gap.

Negative interaction terms for age (−0.028, $p < 0.01$) and education (−0.017, $p < 0.01$) indicate that the combination of female-headed households’ demographic profiles and lower returns to these characteristics further widens the welfare gap. The interaction effect for household size is also negative and marginally significant (−0.009, $p <$

³² N Kabeer, ‘Resources, Agency, Achievements: Reflections on the Measurement of Women’s Empowerment’ (1999) 30(3) *Development and Change* 435; N Fortin, T Lemieux and S Firpo, ‘Decomposition Methods in Economics’ in O Ashenfelter and D Card (eds), *Handbook of Labor Economics* (Elsevier 2011); M Rogan, ‘Gender and Multidimensional Poverty in South Africa’ (2016) 22(1) *Feminist Economics* 1.

0.10), suggesting that dependency burdens disproportionately depress welfare when coupled with gender-specific returns.

In contrast, positive interaction effects for traditional areas (0.008, $p < 0.01$) and farm areas (0.003, $p < 0.10$) imply that spatial location amplifies gender disparities through the joint influence of residential concentration and differential returns across settlements.

Overall, the interaction results highlight that gendered welfare inequality is reinforced not only by differences in endowments or returns in isolation, but by their simultaneous interaction, underscoring the cumulative and structural nature of gender disadvantage.

Table 9: Distributional gender differences in household welfare

Quantile	Female-headed household
Q10	-0.111*** (0.020)
Q25	-0.151*** (0.016)
Q50	-0.224*** (0.016)
Q75	-0.234*** (0.016)
Q90	-0.247* (0.023)

Note:

☒ Dependent variable: $\ln(\text{real per capita household consumption expenditure})$.

☒ All models control for age, education, household size, and settlement type.

☒ Survey weights applied; robust standard errors in parentheses.

☒ *** $p < 0.01$.

Table 9 presents quantile regression estimates of the association between female headship and real per capita household consumption expenditure

across the welfare distribution. The quantile regression results indicate that the welfare penalty associated with female headship increases across the welfare distribution, rising from -0.11 log points at the 10th percentile to approximately -0.25 log points at the 90th percentile. This suggests that gender-based welfare disparities persist throughout the distribution and become more pronounced among relatively better-off households. The findings therefore indicate that female-headed households face disadvantages not only among poorer households, but also in their ability to achieve higher welfare levels relative to male-headed households.

The quantile results therefore confirm that gender inequality in household welfare is not uniform, but highly distributional in nature, with structural constraints binding most strongly at the lower tail of the consumption distribution.

Sources of the Gender Welfare Gap: Evidence from Decomposition Analysis

Tables 5–8 provide deeper insight into the mechanisms underlying gender disparities in household welfare by decomposing the observed consumption gap between male- and female-headed households into explained, unexplained, and interaction components. The Oaxaca–Blinder results (Table 5) indicate a substantial and statistically significant welfare gap of 0.34 log points in real per capita consumption expenditure, disadvantaging female-headed households. Importantly, only 58 percent of this gap is explained by differences in observable characteristics, while the remaining 42 percent is attributable to differences in returns to those characteristics and their interaction effects. The explained component (Table 6) highlights the importance of household composition and spatial location in shaping gendered welfare outcomes. Differences in household size account for the largest share of the explained gap, reflecting the higher dependency burdens typically faced by female-headed households. Settlement type also plays a significant role, with female-headed households more concentrated in traditional and farm areas that are associated with lower consumption levels. These findings align with

existing evidence that demographic pressures and spatial disadvantage remain key drivers of poverty and inequality in South Africa.

In contrast, differences in age and education slightly reduce the welfare gap, suggesting that female-headed households possess demographic and human capital characteristics that partially offset disadvantage. However, these equalising effects are insufficient to overcome the dominant influence of household composition and spatial inequalities.

Structural Inequality and Unequal Returns

The unexplained component of the decomposition (Table 7) points to substantial structural disadvantages faced by female-headed households. Differences in returns to education and age contribute significantly to the welfare gap, indicating that similar levels of human capital translate into lower consumption outcomes for women than for men. This finding is consistent with literature documenting gendered labour-market segmentation, wage disparities, and unequal access to quality employment in South Africa.³³ Lower returns to education among female-headed households suggest that investments in human capital alone are insufficient to eliminate gender welfare disparities. Even when women attain comparable education levels, structural barriers—such as discrimination, occupational crowding, and care responsibilities—limit their ability to convert these endowments into economic well-being. The significance of the constant term in the unexplained component further indicates the presence of unobserved institutional and social constraints that systematically disadvantage women.

³³ N Kabeer, 'Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment' (1999) 30(3) *Development and Change* 435; N Fortin, T Lemieux and S Firpo, 'Decomposition Methods in Economics' in O Ashenfelter and D Card (eds), *Handbook of Labor Economics* (Elsevier 2011); M Rogan and J Reynolds, 'Schooling Inequality, Higher Education and the Labour Market' (2016) 33(3) *Development Southern Africa* 343.

Interaction Effects and the Compounding Nature of Gender Disadvantage

Table 8 reveals that interaction effects between characteristics and returns further shape gendered welfare outcomes. The negative interaction terms associated with education and age suggest that the combined effect of possessing different characteristics and receiving lower returns exacerbates welfare disparities for female-headed households. Conversely, positive interaction effects for settlement type indicate that spatial disadvantage compounds gender inequality, particularly in traditional and farm areas. These interaction effects underscore the multidimensional and cumulative nature of gender inequality in household welfare. Gender disadvantage is not merely the result of fewer resources or lower returns in isolation, but rather emerges from the interaction of demographic pressures, spatial exclusion, and institutional constraints. This finding reinforces feminist economic perspectives that emphasise the structural and relational dimensions of inequality, rather than purely individual-level deficits.³⁴

IMPLICATIONS FOR POLICY AND RESEARCH

Taken together, the decomposition results suggest that closing gender welfare gaps in South Africa requires interventions that go beyond improving women's observable characteristics. While enhancing education and employment opportunities remains important, these measures must be complemented by policies that address unequal returns, care burdens, and spatial disadvantage. Gender-responsive labour-market reforms, expanded care-support infrastructure, and place-based development strategies targeting historically marginalised areas are likely to yield the largest welfare gains for female-headed households. Moreover, the sizeable unexplained and interaction components caution against gender-neutral policy frameworks. Without explicitly addressing the

³⁴ S Seguino, 'Gender, Distribution and Balance of Payments Constrained Growth' (2010) 22(3) *Review of Political Economy* 373; UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development* (UN Women 2018).

structural constraints faced by women, such policies risk reducing average poverty levels while leaving entrenched gender inequalities intact.³⁵

CONCLUSION AND POLICY IMPLICATIONS

This study examined gender disparities in household welfare in South Africa using nationally representative data from the Income and Expenditure Survey (IES) 2022/2023. By combining survey-weighted descriptive statistics, multivariate regression analysis, Oaxaca–Blinder decomposition, and distributional analysis, the paper provides a comprehensive assessment of both the magnitude and the underlying drivers of gendered welfare inequality. Using real per capita household consumption expenditure as a proxy for welfare, the analysis offers updated post-pandemic evidence on the persistence and structural nature of gender disadvantage in South Africa.

The results reveal a large and statistically significant welfare gap between male- and female-headed households. Female-headed households consistently exhibit lower levels of per capita consumption and income, despite, on average, having comparable or higher levels of educational attainment. Descriptive evidence further shows that female-headed households face higher dependency burdens and are disproportionately concentrated in traditional and historically marginalised settlement types. These patterns confirm that female headship remains a powerful marker of economic vulnerability in South Africa's highly unequal socioeconomic landscape.³⁶

Multivariate regression results indicate that differences in age, education, household size, and settlement type explain a substantial portion of the

³⁵ N Kabeer, 'Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment' (1999) 30(3) *Development and Change* 435; S Seguino, 'Gender, Distribution and Balance of Payments Constrained Growth' (2010) 22(3) *Review of Political Economy* 373; UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development* (UN Women 2018).

³⁶ D Posel and M Rogan, 'Gendered Trends in Poverty in the Post-Apartheid Period' (2012) 29(2) *Development Southern Africa* 237; M Rogan, 'Gender and Multidimensional Poverty in South Africa' (2016) 22(1) *Feminist Economics* 1.

observed welfare gap. However, even after controlling for these characteristics, a statistically significant welfare penalty associated with female headship persists. This finding suggests that gendered welfare disparities are not solely the result of observable differences in endowments, but are also shaped by deeper structural and institutional constraints that limit women's ability to translate resources into economic well-being.³⁷

The Oaxaca–Blinder decomposition provides direct evidence on the sources of this gap. Approximately 58 percent of the gender difference in real per capita consumption is explained by differences in observable characteristics, with household composition and spatial location playing particularly important roles. Higher household size and concentration in traditional and farm areas substantially depress welfare outcomes among female-headed households. In contrast, differences in age and education slightly offset the gap, reflecting the fact that female household heads possess demographic and human capital characteristics that, in principle, should be welfare-enhancing.

Crucially, 42 percent of the welfare gap remains unexplained, reflecting unequal returns to characteristics and broader structural disadvantage. The unexplained component shows that female-headed households receive significantly lower returns to education and age-related experience, consistent with persistent gender segmentation in labour markets, unequal access to quality employment, and the constraints imposed by unpaid care responsibilities. The presence of significant interaction effects further highlights the compounding nature of gender disadvantage: differences in characteristics and differences in returns interact in ways that intensify welfare gaps, particularly in spatially marginalised areas. Together, these results underscore that gender inequality in household welfare is not merely a matter of resource deficits,

³⁷ A S Blinder, 'Wage Discrimination: Reduced Form and Structural Estimates' (1973) 8(4) *Journal of Human Resources* 436; R Oaxaca, 'Male–Female Wage Differentials in Urban Labor Markets' (1973) 14(3) *International Economic Review* 693; N Fortin, T Lemieux and S Firpo, 'Decomposition Methods in Economics' in O Ashenfelter and D Card (eds), *Handbook of Labor Economics* (Elsevier 2011).

but is embedded in the way economic institutions and social structures reward similar characteristics differently for men and women.³⁸

The distributional analysis reinforces this conclusion by showing that gender-based welfare disparities are most pronounced at the lower end of the consumption distribution. Female-headed households experience the largest welfare penalties among poorer households, while gender gaps narrow at higher welfare levels. This pattern indicates that structural gender constraints are most binding where resources are scarcest, and that average-based analyses may understate the extent of gender inequality experienced by the poorest households. These findings align with broader evidence on the feminisation of poverty and highlight the importance of adopting distribution-sensitive approaches when analysing and addressing gendered economic disadvantage.³⁹

Policy Implications

The findings of this study carry important implications for policy design in South Africa. First, while improving women's education and labour-market participation remains essential, the results demonstrate that such interventions alone are insufficient to close gender welfare gaps. The finding that female-headed households receive significantly lower returns to education (Table 7) indicates that comparable levels of human capital translate into lower welfare outcomes for women than for men. This suggests that policy interventions should move beyond improving access to education to addressing structural labour-market constraints, including occupational segregation, wage inequality, and limited access to quality employment opportunities. Without addressing these structural barriers,

³⁸ A S Blinder, 'Wage Discrimination: Reduced Form and Structural Estimates' (1973) 8(4) *Journal of Human Resources* 436; R Oaxaca, 'Male-Female Wage Differentials in Urban Labor Markets' (1973) 14(3) *International Economic Review* 693; N Fortin, T Lemieux and S Firpo, 'Decomposition Methods in Economics' in O Ashenfelter and D Card (eds), *Handbook of Labor Economics* (Elsevier 2011).

³⁹ S Chant, 'Female-Headed Households in Developing Countries: Diversity and Dynamism in the Feminisation of Poverty' (2010) 44(7) *Journal of Development Studies* 980; M Rogan and J Reynolds, 'Schooling Inequality, Higher Education and the Labour Market' (2016) 33(3) *Development Southern Africa* 343.

investments in education alone are unlikely to yield equitable welfare outcomes.⁴⁰

Second, the central role of household composition in explaining welfare disparities highlights the importance of addressing unpaid care burdens. Given that household size is the largest contributor to the explained component of the welfare gap (Table 6), policies aimed at reducing dependency burdens should be prioritised. In particular, expanding access to affordable childcare, early childhood development programmes, and care-support services would ease resource pressures in female-headed households and enhance their ability to translate income into improved welfare outcomes. Without such support, female-headed households remain constrained by demographic pressures that dilute per capita resources.⁴¹

Third, the strong spatial dimension of gendered welfare inequality calls for place-based policy interventions. The concentration of female-headed households in traditional areas (Table 3), combined with the significant contribution of spatial location to the welfare gap (Table 6), highlights the importance of spatially targeted policy responses. Female-headed households are disproportionately located in historically marginalised regions characterised by limited access to infrastructure, weak labour markets, and constrained economic opportunities. Investments in infrastructure, service delivery, and local economic development in these areas are therefore critical to addressing the geographic dimensions of gender inequality and improving welfare outcomes.⁴²

⁴⁰ D Casale and D Posel, 'Gender Differences in Labour Market Outcomes in South Africa' (2011) 17(2) *Feminist Economics* 1; S Klasen, 'Low Schooling for Girls, Slower Growth for All?' (2002) 16(3) *World Bank Economic Review* 345.

⁴¹ D Budlender, *The Statistical Evidence on Care and Non-Care Work Across Six Countries* (UNRISD 2008); UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development* (UN Women 2018).

⁴² J Seekings and N Nattrass, *Class, Race, and Inequality in South Africa* (Yale University Press 2005); World Bank, *South Africa Economic Update: Addressing Inequality in South Africa* (World Bank 2022).

Finally, the sizeable unexplained component of the welfare gap cautions against gender-neutral poverty-reduction frameworks. Social protection programmes play a vital role in mitigating deprivation, but without an explicit gender lens they risk alleviating symptoms rather than addressing the structural roots of inequality. Gender-responsive social protection, combined with labour-market reform and care-supporting infrastructure, is necessary to achieve meaningful and sustained reductions in gendered welfare disparities.⁴³

LIMITATIONS AND FUTURE RESEARCH

This study is not without limitations. The analysis relies on cross-sectional data, which limits causal interpretation and prevents the examination of welfare dynamics over time. In addition, while the decomposition framework captures differences in observable characteristics and returns, it cannot fully account for unobserved factors such as intra-household bargaining power, social norms, and discrimination. Future research could extend this analysis using panel data, explore intra-household allocation of resources, or incorporate multidimensional measures of welfare to further deepen understanding of gender inequality in South Africa.

Overall, the findings provide robust and timely evidence that gendered welfare inequality in South Africa is deeply structural, spatially embedded, and most severe among the poor. Addressing these disparities requires policy responses that go beyond human capital accumulation to confront unequal returns, care burdens, and the institutional foundations of gender inequality

⁴³ S Hassim, *Women's Organizations and Democracy in South Africa* (University of Wisconsin Press 2006); UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development* (UN Women 2018).