Shifting from Survival to Decent Living:
Evaluating Individuals' Capabilities to Live the Life they Value in Relation to their Income

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COMPULSORY DECLARATION:

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works of other people have been attributed, cited and referenced**.**

Signature Signed by candidate **Date:** _ 14/03/2021

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Abstract

Personal income derived from work is an important, although not the only, contributor to wellbeing. According to Sen's capability approach, an individual's capability to achieve valued quality of life (QoL) domains is what determines their wellbeing. However, employment should be remunerated well enough to provide individuals with the capabilities to realise the aspects of their lives which they value, and in that way to achieve a good QoL. This dissertation takes the premise that it is vital to base the degree to which individuals can realise what constitutes a good life for them on their subjective views, instead of economic indicators which do not account for the multidimensionality of wellbeing and differences in the perceptions of important and attainable life domains. Therefore, the aims of the current study were to (1) determine the perceived value of different QoL domains as related to income, (2) determine the perceived attainment of different QoL domains as related to income, (3) determine the nature of the relationship between income and QoL calculated as a capability score, and (4) determine at what income level individuals were able to acquire the capabilities they perceived as relevant to have a good QoL. To achieve the research aims, a quantitative, secondary dataset was analysed. The dataset (N = 953) included survey data collected in the second half of 2019 from individuals residing in different wards within the Cape Town Metropole. After data capturing and cleaning, a sample size of N = 953 was present. To analyse the data, descriptive statistics, Spearman rho correlation analyses, and Fishers r to z transformation were run. The results found that firstly, *Housing*, *Employment*, and *Information and Knowledge* were found as the most important with increasing income. In addition, the QoL domains of *Quality of Working Life*; *Information and Knowledge; Psychological/Mental Health and Emotional Wellbeing*; *Savings, Wealth and Assets*; *Employment*; *Leisure and Spare Time Activities*; *Quality of Neighbourhood*; *Social Relationships*; and *Housing* were found as more attainable with increasing income. Finally, as income increased, individuals' QoL also increased, with a monthly net pay of R 10,000 as the income level from which individuals, on average, could attain a good QoL. These results provide important implications for research and practice as the specific QoL domains relevant to South Africa have been identified, with the income level at which individuals perceived themselves as having the capability to attain valued QoL domains being highlighted. Thus, providing important guidelines for developing policy to implement a relevant living wage and, ultimately, contribute to national and international agendas in promoting decent work and decreasing poverty.

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1. Introduction

This chapter orients the reader to the research problem by firstly, defining what constitutes a good life using Sen's (1985) capability approach to highlight the importance of determining quality of life (QoL) from a subjective perspective. Secondly, it is emphasised how income alone is not sufficient to enable individuals to have a good QoL, but that an income level that enables individuals to choose the kinds of lives they reasonably value, i.e. a living wage, is required. Finally, this chapter will conclude by summarising the research questions guiding this study.

1.1. What is a good life?

What makes a good life? In Sen's (1985) capability approach, individuals are capable of achieving wellbeing if they have the freedom to choose from a set of valued functionings, such as the type of employment they would like. The ability to attain a good life, or wellbeing, is thus an individual's capability to choose the kind of life that they would reasonably value and to feel an element of control in making their own choices about their livelihood (Hammell, 2015; Hasan, 2019; Naz, 2016; Ndomoto et al., 2018; Ngcwangu, 2019; Sen, 1985; Robertson, 2015; Sferrazzo & Ruffini, 2019; Wells, 2020). This philosophical approach assumes that the more capabilities are fulfilled, the greater the possibility of being able to have a good life. This, subsequently, should lead to an increase in individual wellbeing (Ndomoto et al., 2018). In determining wellbeing, arguing from the lens of Sen's capability approach, this study thus sought to focus on understanding individuals' perceived capabilities to achieve a good life. Hammell (2015) argues that understanding wellbeing in this way provides a comprehensive and holistic view of the construct.

Both philosophers and economists agree that individual wellbeing is a multidimensional concept, consisting of individual characteristics such as personal health and gender; environmental conditions at the socioeconomic and institutional level; and the household environment, such as family relationships, friends, beliefs, health, and exercise (Hasan, 2019; Martinetti, 2000; Robertson, 2015). Generally, wellbeing has been defined in terms of subjective measures of an individual's perception of their life (Sen, 2001; Theofilou, 2013) with regard to their happiness, life satisfaction, and positive affect (Tang, 2007). Thus, objective measures of wellbeing, such as GDP and income levels, are insufficient for several reasons: firstly, objective measures are oversimplified in assuming homogeneity across all individuals; secondly, they focus on material

possessions instead of an individual's abilities or disabilities and advantages or disadvantages; lastly, individuals often adjust to their circumstances, meaning that their true wellbeing is not shown in terms of their possessions and preferences (Hasan, 2019). This further illustrates the importance of assessing wellbeing from individuals' perspectives. The question that remains to be answered is how one would measure the degree to which individuals perceive they have the capabilities required to live the life they reasonably value?

In a study comprising a sample of Filipinos, Teng-Celleja et al. (2019) explored this question by measuring how important Filipinos saw specific QoL domains as well as their levels of satisfaction in these same domains. The responses were used to determine an overall wellbeing score for each participant. Teng-Calleja et al. (2019) proposed this methodology to determine an individuals' wellbeing as a capability score, i.e. the aggregated degree to which individuals feel they can meet each QoL domain weighted by the value placed on that QoL domain. The lower the score is, the less it is possible for the individual to live the life they value–and the lower their wellbeing–until the score reaches a value at which point the individual can realise their capabilities. Teng-Calleja et al.'s (2019) study, in line with Sen's (1985) capability approach, suggested that determining wellbeing from an individual's perspective and focussing on their subjective experiences may be a better determinant of wellbeing than other objective and economic indicators. This is because individuals differ in their perceptions of what constitutes a good life and are also influenced by their external environment; thus, these factors should be considered to ensure wellbeing is accurately measured (Hammell, 2015; Hasan, 2019; Teng-Calleja et al, 2019). Consequently, in measuring wellbeing by determining the importance assigned to each QoL domain (weighted capabilities), a better conceptualisation of wellbeing is determined. Therefore, this study took Teng-Celleja et al.'s (2019) approach as a basis to determine individuals' wellbeing in the South African context.

Including how much an individual values each QoL domain is important as it is unlikely that all hold equal importance for everyone in terms of attaining wellbeing. Some domains are also more important than others depending on the context in which individuals are being investigated (Akay & Martinsson, 2011; Galinha et al., 2016; Pittau et al, 2010; Posel & Casale, 2011; Sacks et al., 2010). This means that individuals differ from each other in the degree to which different QoL domains contribute to their wellbeing, but at an aggregate level, members of different societies should differ even more. The question is whether–despite expected interindividual

differences–it is possible to identify a pattern of valued life domains within a society, and a particular income level (or income range) from which individuals are generally able to realise their valued capabilities. This approach would allow for a bottom-up approach to determining wellbeing and the income amount required to enable this, which could then be considered an appropriate living wage level as suggested by Carr et al. (2018). For instance, in the context of South Africa, the country's history of inequality and discrimination could affect individual perceptions of wellbeing differently between members of certain racial groups, such as Black Africans who were most socioeconomically disadvantaged by racial segregation during apartheid (Posel & Casale, 2011). This specific background could therefore influence the way these groups self-assess different QoL domains in terms of their importance and the ability to attain these; thus, influencing their self-assessed perceptions of wellbeing. Furthermore, in assessing subjective perceptions of wellbeing, it is vital to be cognisant that differences exist across cultures; thus, results of QoL and which domains are most important cannot be generalised across countries (Galinha et al., 2016). Therefore, by determining the extent to which individuals perceive specific QoL domains as valuable and attainable in relation to income, in the context of South Africa, and the income amount that can enable attainment of these domains, emphasis can be placed on QoL domains that best enable South Africans to attain a good QoL and subsequently, improved subjective wellbeing. This study thus aims to determine to what extent individuals perceive different QoL domains as valuable and attainable, as well as how these results compare to the Filipino data in Teng-Calleja et al.'s (2019) study.

1.2. Living Wage as a Contributor to QoL

Today, personal income derived from work is a large, but not the only, contributor to wellbeing as it can enable individuals to lead sustainable lives (Burns et al., 2017; Carr et al., 2018; Truesdale & Jencks, 2016). Furthermore, work can also provide individuals with a sense of purpose that meets their fundamental needs for survival and power, but also for social connection and self-determination. The fulfilment of these three needs is assumed to lead to individual wellbeing (Carr et al., 2018; Duffy et al., 2016).

While a purely economic perspective may suggest that increasing the number of employment opportunities is required to improve wellbeing overall, from a psychological perspective on wellbeing, I put forward that unless employment is remunerated well enough and

satisfies individuals' needs for power, social connection, and self-determination, a greater number of jobs does not increase wellbeing. In other words, employment conditions and income derived from employment have to allow employees to live a good life (Di Fabio & Maree, 2016; Duffy et al., 2016; Frey & MacNaughton, 2016; Webster et al., 2015). Consequently, to achieve sustainable livelihoods and increased wellbeing, individuals should earn wages that allow for adequate participation in both their work and social lives. This means that they can meaningfully contribute to society through recreational activities, support themselves and their families, and can accumulate savings to decrease future risks, such as unexpected medical emergencies or economic distress leading to temporary unemployment (Carr et al, 2016a, 2016b; Carr et al., 2017; Carr et al., 2018; Yao et al., 2017). An income amount that enables this has been termed a living wage and is defined as the minimum amount of income an employee needs to earn to be able to live a good life (Parker, 2017).

This is advocated for in living wage campaigns, which are prominent in the United Kingdom, New Zealand, and parts of the United States. These campaigns emphasise the importance of implementing a living wage and its benefits (Carr et al., 2016a, 2016b; Carr et al., 2018; Yao et al., 2017). Through the International Labour Organisation's (ILO, 2030) decent work agenda which advocates for employment creation, social protection, rights at work, and social dialogue, the living wage concept has also been enshrined in the United Nations' Sustainable Development Goals (SDGs) (Di Fabio & Maree, 2016; Duffy et al., 2016; Frey & MacNaughton, 2016; SDG, SDG 8: Promoting decent work; Webster et al., 2015). These directive movements seek to improve individuals' QoL, including their quality of work life, and further advocates for the importance of paying a living wage to provide opportunities for individuals to escape poverty (Carr et al, 2016a, 2016b; Carr et al., 2018; Parker, 2017; Yao et al., 2017; Zeng & Honig, 2017). In his capability approach, Sen (1985) defined poverty as a lack of basic capabilities and thus a lack of choice for individuals to live the kinds of lives they reasonably value (Ngcwangu, 2019; Rao & Min, 2018). Therefore, as life choices increase with rising income, so would individuals' QoL and wellbeing (Yao et al, 2017; Ruta et al., 2007). A living wage, according to this definition, would then be the income level from which onward individuals have choice over the life domains which they value. Although Carr et al. (2018) found initial evidence that it is possible to determine a living wage level in South Africa in this way, individuals' capabilities and the degree to which they valued particular capabilities were not assessed directly. To improve on Carr et al.'s research,

this study employed Teng-Calleja et al.'s (2019) weighted capability approach to propose a living wage level as the income level from which onward individuals perceive to have choice over the life domains that they value and thus can obtain a positive QoL.

In sum, this dissertation sought to explore the following research questions:

1. How does the perceived value of different QoL domains relate to income?
2. How does the perceived freedom to attain different QoL domains relate to income?
3. How does income relate to QoL measured as capabilities?
4. From what income level do individuals perceive that they are capable to live the lives that they value?

To address these research questions, the remainder of this dissertation has been structured as follows: Chapter 2 provides a thorough literature review on Sen's (1985) capability approach as the theoretical framework for investigating the research questions, defines wellbeing in terms of this perspective in more depth, substantiates that interindividual differences exist in perceived capabilities relevant for a good life, and substantiates how determining a living wage enables individuals the freedom to attain valued QoL domains. The chapter concludes with the research hypotheses. Chapters 3 and 4 provide an overview of the methods used to empirically test the hypotheses and the results obtained, respectively. In Chapter 5, these findings are interpreted and discussed in relation to prior literature. In addition, study limitations are outlined and directions for future research suggested. An overall conclusion to the dissertation is provided in Chapter 6.

2. Literature Review

This chapter presents important literature findings relevant to the research questions posed above to substantiate the arguments presented in the introduction. Firstly, the theoretical framework guiding this study is defined and explained to substantiate measuring wellbeing from a subjective perspective. In line with the capability framework, wellbeing is conceptually defined. Hereafter, the differences in how wellbeing is perceived is emphasised; thus, demonstrating the need to investigate subjective wellbeing across contexts. Finally, evidence is provided demonstrating that an income level, specifically a living wage, within South Africa must be determined to enable individuals to meet valued QoL domains. This section concludes with a summary of the literature review findings and presents the hypotheses derived as tentative answers to the research questions stated in Chapter 1.

2.1. Overview of the Capability Approach

The capability approach was originally proposed by Sen in 1985 and has since been expanded by several authors (e.g. Nussbaum, 2000; Rao & Min, 2018). In his approach, Sen (2000) emphasised individuals' freedom of choice to achieve wellbeing as the goal for human development. The purpose of economic activity is to contribute towards this goal (Hammell, 2015; Hasan, 2019; Naz, 2016; Ngcwangu, 2019; Robertson, 2015; Sen, 1999, 2001; Sferrazzo & Ruffini, 2019; Wells, 2020). At its core, the capability approach includes three interrelated concepts: functionings, capabilities, and freedom and agency. An individual's freedom or opportunity to choose, i.e. their *capabilities*, sets the foundation for a set of *functionings* which include 'beings' and 'doings' related to different QoL domains. Thus, a distinction is made between bare achievement, i.e. functionings, and the freedom to choose from these available functionings, i.e. capabilities (Naz, 2016). Greater choice between functionings across different QoL domains is an indication of increased capabilities, and greater capabilities mean higher and, subsequently, greater levels of wellbeing (Hasan, 2019; Naz, 2016; Ndomoto et al., 2018; Robertson, 2015).

The capability framework thus recognises the multidimensionality of wellbeing and its subjective nature. While Sen had specifically avoided specifying a list of capabilities to ensure the approach remained sufficiently flexible and adaptable to apply in different geographical, cultural, and social contexts, many researchers have criticised the lack of such a list as a limitation within

the framework (Hammell, 2015; Hasan, 2019; Jacobson, 2016; Sferrazzo & Ruffini, 2019; Wells, 2020). Nussbaum (2000) was the first to propose a list of specific capabilities which consisted of life; bodily health; bodily integrity; senses, imagination, and thought; emotions; practical reason; affiliation; other species; play; and control over one's environment. She believed these ten capabilities to be central to individuals in achieving wellbeing.

Since then, a still unresolved debate has ensued about whether it is correct to assign a set, specific list of capabilities, or if the conceptual vagueness of capabilities as proposed by Sen is preferable (Hammell, 2015; Jacobson, 2016; Naz, 2016; Robertson, 2015). Although Sen has referred to a set of basic capabilities namely, freedom of movement; association; and occupational choice; positions in political and economic institutions; and self-respect, an undefined, restrictive list presupposes itself to certain limitations (Hasan, 2019; Naz, 2016; Robertson, 2015). These limitations include difficulty in the operationalisation of the capability construct which could lead to misinterpretation, misuse, and misapplication of the construct (Hasan, 2019; Naz, 2016; Robertson, 2015). More recently, Rao and Min (2018) created a material set of capabilities required for a decent standard of living by combining Sen and Nussbaum's work into a Decent Living Standard and further defined this as the "basic material requirements that are instrumental (but not sufficient) to achieve physical, and to an extent social, dimensions of human wellbeing, whether conceived as basic needs or basic capabilities, and independent of peoples' values or relative stature in society" (p. 226). Therefore, in reviewing the debates around the topic, it seems that a defined list, with space for adaptability, relevant to a particular context would be more accurate in determining which capabilities individuals within South Africa value the most.

One may argue that Sen's focus on the individual could limit the applicability of his approach to wellbeing within a society such as South Africa with an individualistic economic and political system. However, as a highly diverse society with a variety of cultures, individuals within this society come from collectivist cultural backgrounds whereby collective norms make decisions on behalf of the individual (Splitter, 2007; Veenhoven, 1997; Wang & Langhammer, 2018). Furthermore, although the type of society individuals find themselves in forms part of their identity, every individual has their own needs and goals to which they aspire and the freedom, and agency, they have to achieve these is what ultimately gives them the capability to achieve a good QoL (Crosbie, 2014; Pandey, 2011; Splitter, 2007; Veenhoven, 1997; Wang & Langhammer, 2018). Therefore, Sen's approach can be utilised to evaluate wellbeing from a subjective viewpoint

and can be applied cross-culturally, as has been done by several researchers, while still being appropriate. This is because the focus of Sen's approach is on the importance of having the freedom to choose valued capabilities to attain a good QoL; thus, expanding individual freedom and increasing capabilities to lead valuable lives (Crosbie, 2014; Pandey, 2011). Therefore, although culture may influence the perceptions of individuals' views and definitions of a good QoL, Sen's approach is still applicable to both collectivist and individualistic cultures in the measurement of wellbeing (Splitter, 2007; Wang & Langhammer, 2018). The influence of culture and perceptions of wellbeing should thus be considered when interpreting and analysing subjective wellbeing within South Africa; therefore, this study extends existing literature on QoL by investigating subjective wellbeing within a diverse society with multiple cultural backgrounds and recognising how these may lead to differences in perceptions of valued QoL domains. Consequently, a more accurate representation of subjective wellbeing within the South African context will be provided.

2.2. Wellbeing from a Capabilities Perspective: A Definition

Wellbeing is often defined as valuations made by an individual regarding the degree of satisfaction in different aspects of their lives comprising the individual (physical and psychological health), contextual (environment), and interpersonal aspects (social relationships) (Fassio et al., 2013; Theofilou, 2013). In the capability approach, however, the freedom and agency an individual has in being able to choose the kind of life they want to live, i.e. their capabilities, are seen as a necessary condition to be met for wellbeing to be possible (Sen, 2000). Therefore, wellbeing in this study is conceptually defined as the subjective perceptions of wellbeing in terms of the capabilities of individuals (their freedom to choose), which can be effectively converted to achieve functionings that they value (Fassio et al., 2013; Jung et al., 2012; Ruta et al., 2007; Sferrazzo & Ruffini, 2019; Tang, 2007; Wells, 2020). Thus, QoL is defined as the degree to which individuals feel they have the capability to achieve their valued life domains, for example quality housing or life in a neighbourhood, that allows them to have a good life. Life domains refer to different domains of life that individuals may perceive as important and have been derived from prior literature as contributing to a good QoL and, subsequently, wellbeing (Teng-Celleja et al., 2019). Further information on the specific life domains utilised in this study are provided in Chapter 3

below. The more these capabilities are fulfilled, the more individuals are able to have a good life; thus, to achieve individual wellbeing.

2.3. Differences in What Contributes to Individuals' Wellbeing

Research has shown that factors such as economic status, whether a country has an individualistic or collectivist culture, and whether the country is seen as developed or developing influences individual evaluations of wellbeing. Moreover, differences across countries in the factors that affected subjective wellbeing were found by Diener (2012) and Galinha et al. (2016). For example, Diener (2012) found differences in perceptions of subjective wellbeing and stated that higher wellbeing was reported in Latin American nations compared to nations of East Asia. This finding was explained as being due to varying cultural standards as well as differences in social support and positivity levels across countries. Furthermore, Galinha et al. (2016) found differences in subjective wellbeing depending on whether the culture was collectivist or individualistic, with satisfaction with relationships in collectivist cultures (India) and neuroticism in individualistic cultures (Sweden and the United States) predicting wellbeing. To further illustrate, Skevington (2010) investigated health differences across 13 countries. They found that, overall, individuals in developing countries reported poorer QoL compared to developed countries. Specifically, this finding was evident in the psychological, physical, and environmental domains; thus, highlighting the differences in the domains contributing to QoL across countries and the need to evaluate this within South Africa specifically. This was further illustrated in a study by Howell and Howell (2008) who found a stronger relationship between subjective wellbeing and economic status in developing countries compared to developed countries. This suggests that differences in the environment in which individuals find themselves in, or external factors, could influence perceptions of wellbeing. This finding was further substantiated through studies which found that context, cultural values, and economic status influenced subjective wellbeing (Akay & Martinsson, 2011; Boes & Winkelmann, 2010; Galinha et al., 2016; Posel & Casale, 2011). To illustrate, researchers found that both perceptions of wellbeing (Boes & Winkelmann, 2010) as well as whether a region was rich or poor influenced wellbeing and found that poorer regions had lower levels of subjective wellbeing compared to wealthier regions (Pittau et al., 2010; Sacks et al., 2010).

Within country differences have also been found in South Africa: depending on income level, South Africans valued different domains of life as being important for wellbeing. Cramm et al. (2010) split their South African study participants into three monthly income groups: those with income less than R 1,000 defined as the 'low income' group, those with an income between R 1,001 and R 2,000 as the 'middle income' group, and those with an income of more than R 2,000 being defined as the 'high income' group. In the lowest income group, participants considered health status and social capital as important for wellbeing; in the middle income group, social capital, health status, and having a low crime rate within their neighbourhoods were considered important; and in the high income group, social capital and education were considered important. This finding is particularly remarkable as, in actual terms, all three groups included very low incomes below the minimum wage level (R 3,500 according to Trading Economics, 2020). These findings suggest that the QoL domains individuals value most depend on their income; thus, lending support to the assumption that at different levels of income, different QoL domains will be valued to varying extents. In addition, Teng-Celleja et al. (2019) found the QoL domains of religion and spiritual life; social relationships; physical health; psychological/mental health and wellbeing; and savings, wealth and belongings, respectively, to be important for wellbeing. Furthermore, Teng-Celleja et al.'s (2019) study found that differences existed in the QoL domains that the Filipino participants in their study saw as most relevant for a good life. For example, individuals felt that the attainment of social relationships and religion and spiritual life would contribute to their wellbeing, while other QoL domains were not seen as vital to achieving wellbeing (e.g. leisure and savings and wealth). In a study by Posel and Casale (2011), it was also found that Black South Africans tended to report much lower levels of subjective wellbeing as compared to members of other racial groups, attributable to the lasting effects of historic oppression. These findings suggest that not only may differences exist in which QoL domains individuals value, but that individuals' perceived capabilities of valued QoL domains may vary.

Based on the above literature, it is evident that the degree to which certain QoL domains will be valued and perceived as attainable will vary in relation to income (Cramm et al., 2010; Felix & Garcia-Vega, 2012; Gallagher & Vella-Brodrick, 2008; Ruta et al., 2007). In line with this, the following hypotheses are proposed:

H^1: The perceived value of different QoL domains is related to income to varying extents.

H^2: The perceived freedom to attain different QoL domains is related to income to varying extents.

2.4. Living Wages as an Enabler of Wellbeing through increasing Capabilities

Income is an important predictor of wellbeing as it enables individuals to purchase goods and services and enhances the capabilities of individuals to live the kind of lives that they want to live; thus, increasing wellbeing (Boes & Winkelmann, 2010; Boyce et al., 2010; Cheung & Lucas, 2016; Diener & Biswas-Diener, 2002; Luhmann et al., 2011; Rollero et al., 2014; Tang, 2007). Previous literature has shown that there is a positive association between income and subjective wellbeing; however, this relationship is not a simple linear relationship. Several studies have found a curvilinear relationship with income being related to wellbeing up to a certain point (Carr et al., 2018; Pittau et al., 2010; Stevenson & Wolfers, 2013). To illustrate, a study by Carr et al. (2018) investigated the links between wage levels and human wellbeing in two countries, New Zealand and South Africa, to determine the optimal wage value or range for both employees and employers. Their study addressed the limitations of a previous study in New Zealand (Carr et al., 2016b) in which a single-item measure had been used to measure QoL, the sample relied on internet access which possibly skewed the results towards the middle class, and the economy was relatively egalitarian which could have underrepresented the income dispersion across country and organisational levels (Carr et al., 2018). Overall, the results indicated that South Africa, a country with high income inequality and lower incomes on average compared to New Zealand, showed visible evidence of a poverty trap whereby individuals felt that below a particular income level, a good QoL was not possible (Carr et al., 2018). That is, a “trap-rise-pause-rise” pattern was found whereby at the very low end of the income spectrum they could show that below a certain minimum income amount, income trapped individuals in being dissatisfied with their QoL. Only from this amount onwards was greater income related to greater quality of life. The point where individuals’ perceptions of QoL and income is ‘paused’ could be due to differences in expectations and aspirations depending on the income bracket in which they fall (Carr et al., 2018). In line with this, the following hypothesis is proposed:

H^3: There is a positive nonlinear relationship between income and the capability to attain a good QoL.

Although income is important for wellbeing, a living wage, that is income that enables individuals to live beyond meeting their basic survival needs and enables a standard of living that is 'decent', is vital for wellbeing (Carr et al., 2018; Parker, 2017; Prowse & Fells, 2016; Yao et al., 2017; Zeng & Honig, 2017). This is because this type of income increases individuals' autonomy to choose the kinds of lives they reasonably value; thus, the more capabilities are fulfilled, the higher the probability of living a good life and, subsequently, improved wellbeing (Carr et al., 2018; Yao et al., 2017).

Multiple studies have provided empirical evidence that the implementation of an income level which affords individuals a decent life also benefits employees–and employers–more than minimum wages which serve to secure individuals' existence, but are often not enough to take them out of poverty (e.g. Adams, 2017; Carr et al., 2016a, 2016b; Yao et al., 2017; Zeng & Honig, 2017). Yao et al. (2017), for example, found that an income based on a living wage can ensure job satisfaction, workplace equity, and job security, in that individuals perceive that they have a level of control and capability to achieve these. By integrating a more humanistic approach within organisations, which includes the payment of living wages, employers have a workforce that is more motivated, committed, and productive; thus, enabling a competitive advantage and lower turnover rates (Sferrazzo & Ruffini, 2019; Yao et al., 2017). Hence, it has been argued that a living wage's ultimate goal is to ensure wellbeing by enabling a decent standard of living which, in turn, supports both social and organisational objectives (Parker, 2017; Yao et al., 2017; Zeng & Honig, 2017).

As can be determined from the above findings, a clear link exists between income and subjective wellbeing with lower levels of income being related to lower levels of subjective wellbeing and higher levels to greater wellbeing (Cheung & Lucas, 2015; Wolbring et al., 2013). This implies that there is an income level–or income level range–at which individuals move from an income securing survival to a decent income; that is, an income which enables individuals the freedom to choose the kinds of lives they reasonably value (Carr et al., 2018; Yao et al., 2017). Carr et al. (2018) reported this level to be between "PPP$1 1787 (in South Africa) to PPP$ 2182

[1] PPP: Purchasing power parity is a form of currency conversion that aims to equalize purchasing power of different countries by eliminating price level differences that exist between countries (OECD, 2016).

(in New Zealand)" (p. 912). This suggests that there is an income level at which positive QoL is attained.

By determining this income level within South Africa by referring to specific valued QoL domains, the capabilities to achieve the life that South African individuals value can be increased, and subsequently, wellbeing can be improved. In investigating the specific valued QoL domains within South Africa, it can be determined at what income level individuals' capabilities are increased; thus, indicating an income level needed to improve South African individuals' QoL and subsequently, wellbeing.

It is also imperative to recognise the importance of context and that the predictors of wellbeing differ across contexts. This was illustrated by Felix and Garcia-Vega (2012) who investigated the domains specifically relevant within Mexico and found individual differences in the perceived importance of certain domains of QoL; thus, showing the relevance of context in the QoL domains valued by individuals and the necessity of determining this specific to the South African context.

Therefore, the following hypothesis is proposed:

H^4: There is an income amount at which individuals acquire the capabilities they perceive as relevant to have a good QoL.

2.5. Summary

The above literature review defined wellbeing, in terms of Sen's (1985) capability approach, as the capabilities of individuals to attain valued functionings and achieve the lives they reasonably value. Furthermore, it was argued that differences exist in the QoL domains that individuals value depending on the context in which they are found. Therefore, it is vital to determine the valued QoL domains within the specific context of South Africa, a country with diverse cultures and a history that has shaped individuals perceptions today. Moreover, it was argued that an income level at which individuals' capabilities are increased should be determined within this context to account for these differences. Based on the above findings, the following research hypotheses were derived as tentative answers to the research questions:

H^1: The perceived value of different QoL domains is related to income to varying extents.

H^2: The perceived freedom to attain different QoL domains is related to income to varying extents.

H^3: There is a positive nonlinear relationship between income and the capability to attain a good QoL.

H^4:There is an income amount at which individuals acquire the capabilities they perceive as relevant to have a good QoL.

The following chapter outlines the methods that were proposed to empirically test the hypotheses.

3. Method

In this chapter, the research design utilised in this study is presented. Following from this, an overview is given of the participant demographics and the sampling procedure utilised to gather data from these participants. The data collection measures and tools are then described for each of the study variables. Furthermore, the data collection procedure is outlined, and the statistical analyses used to test each hypothesis described. Finally, this section concludes with a paragraph on ethical considerations.

3.1. Research Design

The empirical analyses were based on secondary data which had been collected between August and December 2019 via household surveys in the Cape Metropole District. The data had been collected as the first phase of a larger Living Wage Research Project funded by the National Research Foundation (NRF). The first phase sought to explore the feasibility of determining living wage levels as the income level from which individuals are able to realise the capabilities they value. The data had not been analysed previously. I, the researcher, captured and coded the data from hardcopy questionnaires which allowed me to become familiar with the dataset. The decision to work with secondary data alleviated the pressure associated with collecting data given time and resource constraints, especially under the restrictions on movement imposed due to the Coronavirus (COVID-19) pandemic.

The type of data available guided the literature search, with the research questions being derived from gaps in the literature which the available data could provide empirical answers to; thus, a research-driven approach was applied (Hox & Boeije, 2005; Johnston, 2017). A potential drawback was evident in utilising this data namely, the data had not been fully captured; therefore, an excel sheet had to be utilised which had data that was partly captured and coded. Furthermore, no clear document existed that outlined the expected data capturing and coding process; thus, it was challenging to ensure uniformity of the data was maintained during data capturing. However, the advantages outweighed the disadvantages in utilising secondary data. That is, working with available data allowed for more time to be spent on data analysis and ensured access to a large dataset. This ensured efficient use of available resources and improved the possibility of generalising the findings (Allen, 2017; Hox & Boeije, 2005; Johnston, 2017).

The dataset contained quantitative data, which was best suited for the aims of this study as this approach enables inferences to be drawn to a broader population (Terre Blanche et al., 2003). This research was, however, guided by a post-positivism ideology which recognises that it is not possible to adopt a completely objective approach, as taken in research in the natural sciences, to fully understand social phenomena (Panhwar et al., 2017). Therefore, it incorporates the notion that subjective experiences are fundamental to gaining a comprehensive understanding of social phenomena (Fox, 2008; Rehman & Alharthi, 2016; Rosnow & Rosenthal, 2013). In interpreting the results and drawing the conclusions outlined in the Discussion (Chapter 5), limitations to the supposed objectivity of quantitative data were thus considered. Furthermore, a correlational, cross-sectional design was used as it allowed for the investigation of relationships between study variables as assumed in the hypotheses.

3.2. Participants and Sampling Procedure

To collect the data, a probability sampling approach was initially followed by making use of the municipal ward structure. The City of Cape Town is divided into 116 wards, each indicated by a unique ward number ranging from 1 to 116. A total of 20 wards were randomly selected as data collection sites by selecting 20 numbers between 1 and 116 via MS Excel's random number generator. Within each ward, convenience sampling was applied with a target of 50 completed questionnaires per ward, and a minimum total targeted sample size of N = 1,000. However, data collectors were requested to recruit as many responses as possible per ward. Depending on the majority language in the ward, groups of between six and twelve English and Afrikaans or English and isiXhosa speaking research assistants visited a ward on a Saturday morning and approached individuals in the streets and at their homes. To be eligible, prospective participants had to be generating an income through work. After less than 20 participants could be recruited over the duration of six hours in two middle class areas (due to there being no doorbells, doorbells going unanswered, or disinterest), two further middle to upper income wards were replaced by two newly drawn wards. The data was captured with a total of 1,001 responses, and the final sample comprised 953 valid responses after removing incomplete or incorrectly completed questionnaires (n = 48).

Of the respondents, a third each reported having completed some high school grades (33.2%; n = 349) or having completed high school, i.e. matriculated (34.3%; n = 361). The

remaining participants reported having the following levels of education: primary school (1%; *n* = 11), diploma (11.2%; *n* = 118), Undergraduate degree (4.8%; *n* = 50), and Postgraduate degree (1.7%; *n* = 18). The sample comprised 498 (47.3%) males and 446 (42.4 %) females (with *n* = 100 = 10.3% not providing their gender). This indicates a relatively balanced representation across gender and roughly represents the South African population: there were approximately 29.7 million female and 28.9 million male individuals in 2019 (Statista, 2021). Of these, 45.2% classified themselves as Black African (*n* = 475), 35.6% as Coloured (*n* = 375), and 4.7% as White (*n* = 49). This means that Black African individuals were over-represented in the present study. The racial distribution in Cape Town has been reported as 42.4% Coloured, 38.6% Black African, and 15.7% White (World Population Review, 2021). The distribution of race in the present study could have been due to sampling having been in lower income areas as wealthier areas tend to comprise mostly White individuals. Furthermore, slightly more than one third of respondents reported isiXhosa (37.5%; *n* = 394) as their home language. The second largest group were English speakers (26.4%; *n* = 278), and 15% of the sample indicated Afrikaans as their home language (*n* = 158). Approximately one fifth of the participants (21.8%; *n* = 148) did not complete this item. Contrastingly, according to the latest census data, majority of individuals in Cape Town spoke Afrikaans (35.7%), isiXhosa (29.8%) and English (28.4%) as their first language (Lehohla, 2011a). In addition, two thirds of the sample (65.4%; *n* = 707) indicated that the nature of their employment was full-time, either on a permanent basis (55.2%; *n* = 581) or on contract (10.2%, *n* = 107), while *n* = 226 were missing. In terms of living arrangements, close to half of the respondents reported renting a formal structure (20.7%; *n* = 218) or owning a formal structure with no bond (19.6%; *n* = 206). The remaining participants reported renting an informal structure (6.3%; *n* = 66), owning a formal structure with a bond (15%; *n* = 185), owning an informal structure with a bond (7.5%; *n* = 79), and owning an informal structure without a bond (14.5%; *n* = 153). In addition, more than half of the respondents reported having one (18.1%; *n* = 190), two (26%; *n* = 273), or three (18.2%; *n* = 191) children living in their households with 29.5% (*n* = 310) reporting having one and 39.3% (*n* = 413) two full-time incomes in the household. The remaining participants reported having four or more (19.6%; *n* = 206) children living in their households with three or more (17%; *n* = 180) full-time incomes. According to census data, 5.1%, 28.9%, and 69.3% of adults earned a low, middle, and high income in households in the Western Cape; these households comprised of two

or more incomes (Lehohla, 2011b; Statistics South Africa, 2020). This is similar to the sample data; thus, indicating that the present sample was representative of the South African population.

3.3. Data Collection Tools

Pen-and-paper questionnaires were utilised to collect the data, with the option of an online survey being made available on request. The survey tool was developed in English and translated into Afrikaans. It consisted of a total of 88 items which represented scales to assess several constructs and sociodemographic information, such as age, gender, ethnicity, and home language. In addition, information regarding the participants' living arrangements was collected, such as the type of dwelling lived in and the number of children within each household. The full survey instrument is provided in the Appendix.

The survey instrument was preceded by a cover page on which a brief overview of the study was given as well as assurance of confidentiality and voluntary participation. Participants were informed that they could withdraw from the study at any point.

A description of how each of the variables of interest in this study was operationalised is provided in the following section.

3.4. Data Collection Measures

3.4.1. Quality of Life

Teng-Calleja et al. (2019) had presented their participants with 13 life domains. For each of the domains, participants indicated how important they perceived the domain for them to say they have a good life. The domains had been identified by conducting a thorough literature review to identify wellbeing domains as well as holding focus group discussions to determine how Filipinos perceived wellbeing. Hereafter, a combination of insights gained from existing studies, results from the focus group discussions, and suggestions obtained from roundtable discussions were utilised to develop a questionnaire, which was then pretested and refined accordingly. Consequently, the final QoL domains included housing; quality of neighbourhood; employment; quality of working life; savings, wealth and belongings; social relationships; leisure and spare time activities; physical health; psychological/mental health and emotional wellbeing; religion and spiritual life; information and knowledge; political participation; and government performance. Each domain name was included in the following question:

"How important is *[name of QoL domain]* for you to say that you have a good life?"

Participants provided their response on a 4-point Likert scale (*1= not at all important, 2 = not really important, 3 = somewhat important, 4 = very important*).

The same QoL domains were used to assess the degree to which participants felt able to attain the life domain. This time, each domain was inserted into the following question:

"How possible is it for you right now to obtain the *[name of QoL domain]* that allows you to have a good life?"

Here, the answer options were *1 = completely impossible, 2 = almost impossible, 3 = quite possible, 4 = completely possible*.

QoL was assessed by looking at a weighted average capability score based on individuals' perceived importance (PI; valued QoL domains) and perceived freedom (PF; ability to attain) of specific QoL domains. In this study, in calculating an overall QoL score based on these 13 capabilities for each respondent, the degree to which the life domain was seen as being attainable was weighted based on how much the participant valued the life domain, i.e. based on how important it was to the participant. When respondents had allocated an importance of *1= not at all important* or *2 = not really important* to a life domain, the importance of life domain score was multiplied by zero. Life domains which a participant had rated as *3 = somewhat important* were multiplied by one and 4= *very important* were multiplied by two, thus being weighted double. This means that domains which were perceived as more important carried more weight in the overall score than domains that carried less importance for the individual. This variable was recoded in line with Sen's (1985) capability approach which posits that individuals value QoL domains differently; however, if a QoL domain is not valued, individuals' overall QoL is not necessarily affected. Recoding the valued QoL domains thus provided a more accurate indication of overall QoL, compared to Teng-Calleja et al.'s (2019) measure, as it only accounted for important QoL domains in determining a capability score. An average capability score was formed by summing all products and dividing them by the sum of the 13 weightings. This average score thus indicated the degree to which participants perceived that they had the capability to attain valuable aspects of their lives; that is, the degree to which they perceived they had freedom of choice over the aspects of life that mattered to them. Scores could vary between 1 and 4. A score of 1 indicated that they did not have the capability to attain valuable QoL domains, 2 that they could attain some valued QoL domains, 3 that they could attain most valued QoL domains, and 4 that they had the

capabilities to attain relevant QoL domains. The scale midpoint was 2.5, which indicated that on average, individuals below this score could meet some but not all of their valued QoL domains.

Teng-Calleja et al. (2019) had found relative consistency in ratings between the different domains in their sample, indicating that those who indicated low importance for one domain tended to indicate lower importance for the other domains too, and those who were able to realise one capability tended to be able to realise other capabilities too (a = .82 for the perceived importance of life domain ratings and a = .91 for the perceived freedom life domain ratings items). The different domains indicated face and content validity as determinants for individuals' degree of wellbeing. Please find the definitions of each QoL domain in Table 1 below.

3.4.2. Income

This variable was measured through the following item:

"If you don't mind sharing, how much income do you get paid in cash or in your bank account when you get paid?"

All amounts provided were translated into monthly amounts by considering participants' answers to the question "Do you get paid daily, weekly, fortnightly or monthly? and "How many days did you work in the last month?

If participants were unwilling to provide the exact amount, they were asked if they were willing to share in which of several provided categories their monthly income fell. The provided income categories were the following: under R 2,000; R 2,000 to R 3,500; R 3,500 to R 7,000; R 7,000 to R 10,000; R 10,000 to R 15,000; R 15,000 to R 25,000; and over R 25,000. Only the actual income amount provided was used in this study, however, as this provided a better interpretation of the relationship between income and the categorical variable (QoL).

Table 1

Definitions of the 13 QoL Domains

QoL Domain	Description
Housing	This refers to having a place that is near your place of work, school, etc.; that is safe from fire and floods; clean and strong, with electricity, water, and toilet facilities.
Quality of Neighbourhood	This refers to having a safe place to live; where you have good relations with your neighbours.
Employment	This refers to having a regular, permanent and legal employment; a place to work that gives you adequate pay.
Quality of Working Life	This refers to having a safe place to work; that is suitable to your education, and where you enjoy good relations with your boss and peers.
Savings, Wealth and Belongings[a]	This refers to having your own house, appliances, savings and being free from debt.
Social Relationships	This refers to being with your (spouse, child/children, friends), and enjoying the love of your relatives and friends.
Leisure and Spare Time Activities	This refers to having time for yourself, being able to rest, relax and have fun with your loved ones.
Physical Health	This refers to being free from sickness and disability, being able to exercise regularly, having regular and nutritious food, enough sleep and a long life.
Psychological/mental Health and Emotional Wellbeing	This refers to giving importance to oneself, having a clear mind, being calm and at peace, and the ability to make personal decisions. This also refers to being respected by your family and other people; the ability to handle your problems and face changes.
Religion and Spiritual Life	This refers to having the opportunity to worship, pray, give to the church/synagogue/temple, and do good to others.
Information and Knowledge	This refers to having the ability to read and write, finish school, learn in different ways aside from school (e.g. watching TV or reading the newspaper), study in a good school (if you plan to study again) and being able to use your education.
Political Participation	This refers to knowing what is happening in your country, voting in the election, joining community organizations, and being free to express political opinion.
Government Performance	This refers to having a country that is peaceful, crime-free, has good public service and stable economy, where citizens are united, and where there are equal justice and opportunities to everyone.

[a] This QoL domain in the perceived attainment scale was defined as Savings, Wealth and Assets

3.5. Data Collection Procedure

English and Afrikaans versions of the questionnaire were provided in hardcopy; the English survey version was also available online in Qualtrics. Respondents who preferred to complete an electronic survey were given the link to this online version. Approximately 30 research assistants administered the surveys. A third each were students at the University of Cape Town, unemployed community members from Mitchell's Plain, and unemployed community members from Khayelitsha. In each ward, data collectors were those research assistants who were most similar to the majority of residents in terms of cultural and language background.

To ensure safety of the research teams, each team entered a particular area as a collective. To make research assistants easily identifiable, they wore yellow T-shirts. A Master's student served as overall coordinator to arrange the dates and sites for data collection. In addition, research assistants from the community were paid a living wage, i.e. R120/hour, for data collection, while student assistants participated as part of an NRF bursary agreement. Data collectors recorded their name on the survey to indicate who had administered the survey, the date of data collection, the ward number within which they had collected the data, the start and end time of questionnaire completion, and assigned a participant number.

Respondents could choose whether they wanted to complete the Afrikaans or English survey version and research assistants clarified and translated questions if neither of these were the respondents' first language. In one area, Kraaifontein, a note informing individuals about the study and the online link were slipped into the letter boxes of every 5^{th} house.

Those participants who were interested provided their cell phone number on a separate sheet of paper to stand a chance of being selected for one of three R 500 cash prizes in a lucky draw.

3.6. Data Capturing and Statistical Analyses

The hard copy data were captured in a Microsoft Excel sheet and were then exported to the IBM SPSS Statistics programme Version 26. This system was used to clean and analyse the data. Analyses were performed with relevant descriptive and inferential tests to reach the objectives of the study. The specific analyses run for each hypothesis are outlined below.

3.6.1. Hypothesis 1: The Perceived Value of Different QoL Domains is Related to Income to Varying Extents

This hypothesis was analysed by conducting Spearman rho correlation analysis to determine the extent of the relationships between income and each QoL domain using the PI items. As Myers and Siroj (2016) were able to show that Fisher's r to z transformation is also a suitable tool to compare Spearman rho correlations, it was performed to determine if the relationships were significantly different from each other.

3.6.2. Hypothesis 2: The Perceived Freedom to Attain Different QoL Domains is Related to Income to Varying Extents

This hypothesis was analysed equivalently to Hypothesis 1, just that the relationships between income and each QoL domain using the PF items was considered.

3.6.3. Hypothesis 3: There is a Positive Nonlinear Relationship between Income and QoL

Following Carr et al.'s procedure (2018), the scatterplot between income and QoL was visually analysed and a line of best fit determined using Locally Estimated Scatterplot Smoothing (LOESS) to explore the nature of the relationship between income and QoL. In LOESS, the line of best fit is fitted to the data in an empirical manner without prior specifications of the nature of the relationship as linear, curvilinear, and so forth, between the independent and dependent variable. Thus, it is particularly relevant to exploratory research. Consequently, this method enables complex relationships and patterns to be revealed within the data, which are often not detected with traditional statistical modelling procedures (Carr et al., 2018; Jacoby, 2000).

3.6.4. Hypothesis 4: There is an Income Amount at which Individuals Acquire the Capabilities they Perceive as Relevant to have a Good QoL

Based on the LOESS curve representing the relationship between the income and capabilities data, the point at which income crossed the midpoint of the capability scale, i.e. 2.5, was assessed to determine at which income level a good QoL was attained.

3.7. Ethical Considerations

To ensure adherence to ethical standards in research, ethical clearance was obtained from the University of Cape Town's Commerce Faculty Ethics in Research Committee before commencing with data collection. To ensure the anonymity of respondents, the respondents'

names, addresses, and phone numbers were not recorded on the questionnaires. Participants who wanted to participate in the lucky draw provided only their phone number and no further identifying information on a separate lucky draw sheet. These sheets were filled over numerous times of data collection, thus making an allocation of phone number to ward impossible. Additionally, both verbal and written consent were obtained, and respondents were aware that they could withdraw from the study at any point.

4. Results

This chapter presents the descriptive statistics for all study variables, as well as the results obtained for each of the hypotheses.

4.1. Descriptive Statistics

Descriptive analyses were run on the variables of interest in this study: income (continuous variable), perceived importance and perceived freedom of the 13 QoL domains, and QoL calculated as a weighted capability score. The corresponding results are presented in Table 2. On average, respondents' monthly income through work was R 7,677, although this varied widely indicating a wide income gap between those earning the lowest and those earning the highest incomes. Furthermore, on average, respondents perceived themselves as having the capabilities relevant to them to attain a good QoL with a weighted capability score which was narrowly distributed around the mean score of 3 (SD = 0.58).

Table 2

Descriptive Statistics for the Main Study Variables (N=953)

Variables	n	Minimum	Maximum	M	SD
Income	368	150	100,000	7,677	9,977.62
Perceived importance scale					
Housing	951	1	4	3.56	0.632
Quality of neighbourhood	951	1	4	3.40	0.697
Employment	950	1	4	3.54	0.652
Quality of working life	952	1	4	3.48	0.650
Savings, wealth and belongings	950	1	4	3.46	0.678
Social relationships	952	1	4	3.32	0.729
Leisure and spare time activities	953	1	4	3.20	0.769
Physical health	943	1	4	3.46	0.671
Psychological/mental health and emotional Wellbeing	949	1	4	3.46	0.641
Religion and spiritual life	947	1	4	3.18	0.863
Information and knowledge	950	1	4	3.39	0.733
Political participation	953	1	4	2.62	0.985
Government performance	953	1	4	2.92	1.014
Perceived freedom scale					
Housing	953	1	4	2.84	1.016
Quality of neighbourhood	949	1	4	2.87	0.883
Employment	950	1	4	2.98	0.920
Quality of working life	945	1	4	3.03	0.866
Savings, wealth and assets	947	1	4	2.81	0.947
Social relationships	949	1	4	3.04	0.823
Leisure and spare time activities	949	1	4	2.85	0.890
Physical health	939	1	4	3.08	0.827
Psychological/mental health and emotional Wellbeing	945	1	4	3.06	0.791
Religion and spiritual life	938	1	4	3.07	0.895
Information and knowledge	945	1	4	3.14	0.829
Political participation	945	1	4	2.61	0.978
Government performance	945	1	4	2.44	1.019
QoL: Calculated weighted capability	855	1	4	3.01	0.578

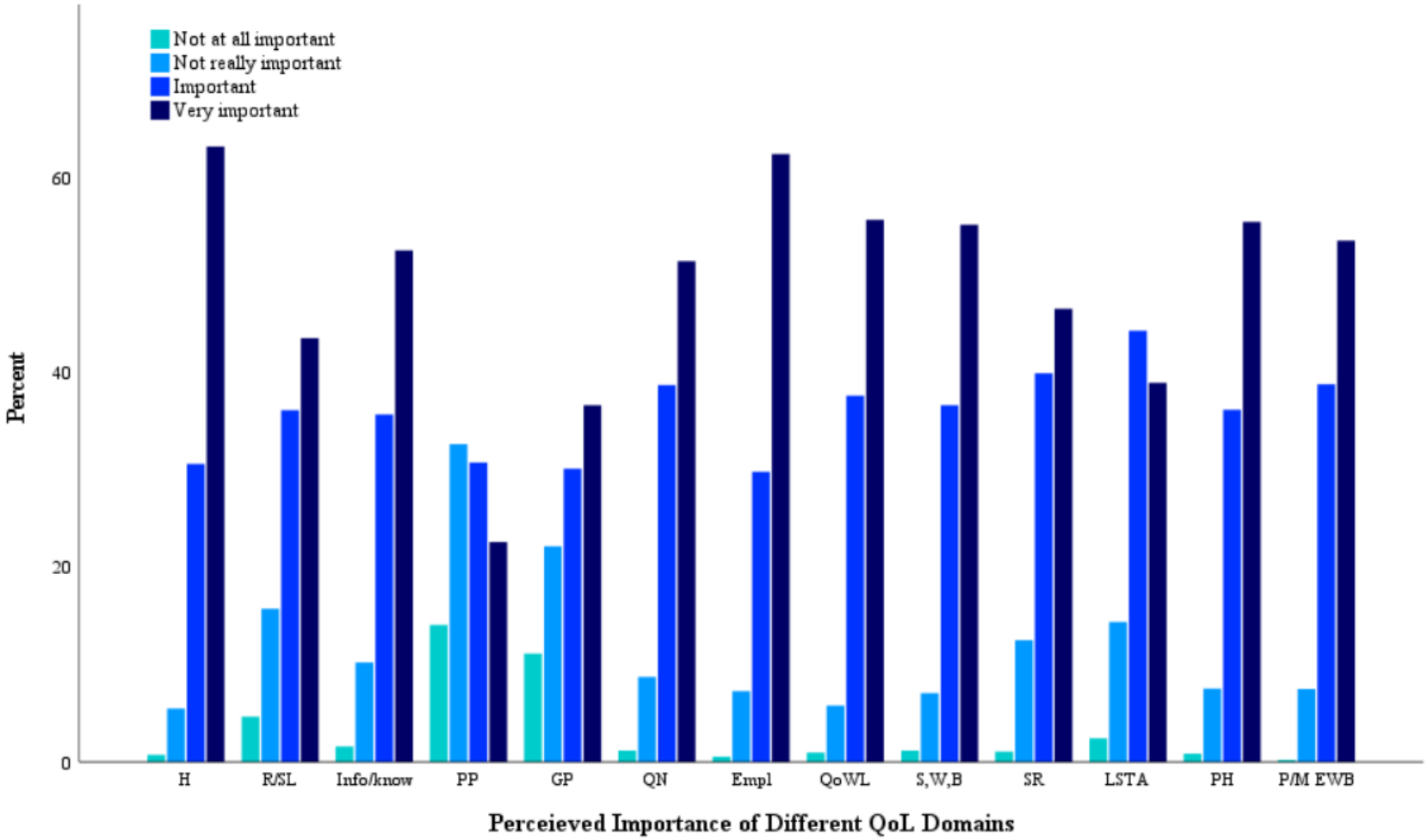
Moreover, when assessing the specific domains perceived as important and attainable, the frequencies of the PI and PF items was computed to determine the QoL domains that were perceived as most and least important and as most and least attainable to having a good life. As can be seen in Figure 1 below, the *Housing* and *Employment* QoL domains were perceived as being the most important with 67.9% and 68.2% of individuals having indicated that these were *very important* to having a good QoL. *Political Participation* and *Government Performance* were the least important (*not at all important*) for having a good QoL. In addition, as shown in Figure 2, individuals perceived the *Information and Knowledge* QoL domain as being the most attainable with 43.7% of individuals indicating this domain was *completely possible* to attain. Similarly, 43.4% of respondents perceived it *completely possible* to attain the *Religion and Spiritual Life* QoL domain and *Government Performance* was perceived as the least possible to attain with 24.4% of individuals indicating this QoL domain was *completely impossible* to attain for a good QoL.

4.2. Hypothesis Testing

Before testing the hypotheses, 13 outliers (income more than R 30,000) for the income variable were removed; thus, resulting in a final sample of 355 for the income variable. However, when running the correlation analyses, bootstrapping was performed; thus, outliers were accounted for and did not need to be removed for these analyses. To determine the extent to which individuals valued and felt they could attain different QoL domains in relation to income (Hypothesis 1 and 2), Spearman rho correlations were computed as the variables were ratio (income) and ordinal (all remaining variables) scaled, and had a monotonic relationship which was determined by looking at Figure 3 (Field, 2018). The Spearman rho correlations were interpreted according to the following categories: very weak = r_s between .00 and 19; weak = r_s between .20 and .39; moderate = r_s between .40 and .59; strong = r_s between .60 and .79; and very strong = r_s between .80 and 1.0 and above (Field, 2018). Furthermore, Fisher's z transformation was utilised to test if the relationships differed from each other. After this, LOESS was performed to determine the nature of the relationship between income and QoL as well as to determine at what income level a good QoL could be possible (Hypothesis 3 and Hypothesis 4).

Figure 1

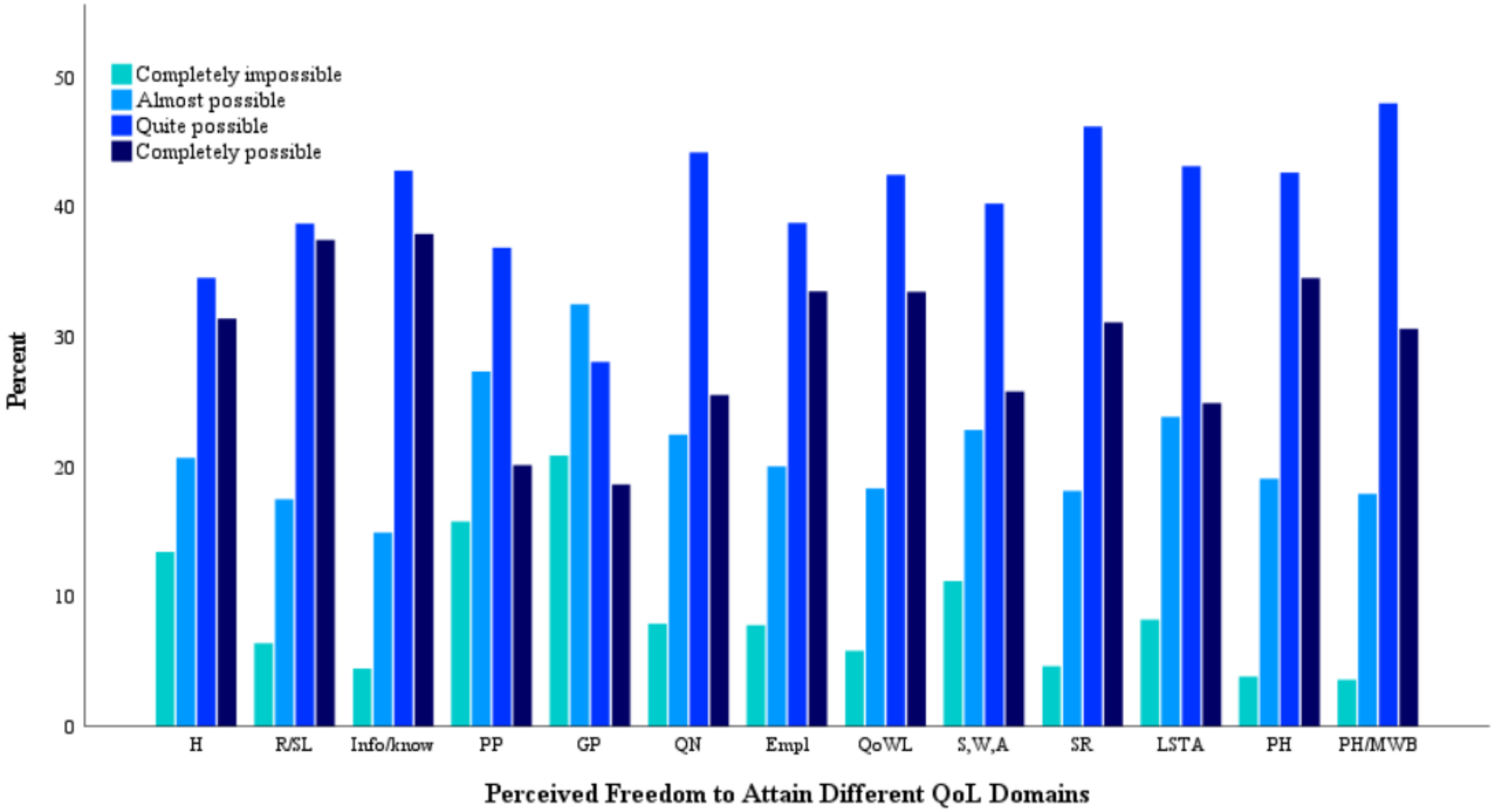
Frequencies of Perceived Importance of Different QoL Domains



H: Housing; R/SL: Religion and Spiritual Life; Info/Know: Information and Knowledge; PP: Political Participation; GP: Government Performance; QN: Quality of Neighborhood; Employ: Employment; QoWL: Quality of Working Life; S, W, B: Savings, Wealth and Belongings; SR: Social Relationships; LSTA: Leisure and Spare Time Activities; PH: Physical Health; PH/MWB: Psychological/Mental Health and Emotional Wellbeing

Figure 2

Frequencies of Perceived Freedom to Attain Different QoL Domains



H: Housing; R/SL: Religion and Spiritual Life; Info/Know: Information and Knowledge; PP: Political Participation; GP: Government Performance; QN: Quality of Neighborhood; Employ: Employment; QoWL: Quality of Working Life; S, W, A: Savings, Wealth and Assets; SR: Social Relationships; LSTA: Leisure and Spare Time Activities; PH: Physical Health; PH/MWB: Psychological/Mental Health and Emotional Wellbeing

4.2.1. Hypothesis 1: The Perceived Value of Different QoL Domains is Related to Income to Varying Extents

Results from the Spearman rho correlation analyses, displayed in Table 3 below, showed that there were significant relationships between income and the perceived importance of the QoL domains of *Housing, Employment, Physical Health*, and *Information and Knowledge*. Specifically, a very weak, significant, positive association was found between income and the perceived importance of *Housing* (r_s (350) .139, $p < .01$), *Employment* (r_s (350) .117, $p < .05$), *Information and Knowledge* (r_s (350) .117, $p < .01$), and *Quality of Working Life* (r_s (350) .108, $p < .01$) for a good QoL. This suggested that as income increased, the perceived importance of these domains for having a good QoL also increased. Contrastingly, a very weak, significant, negative association was found between income and the perceived importance of *Physical Health* (r_s (350) -.119, $p < .05$) for a good QoL.

To determine whether the differences between these QoL domains were significant, Fisher's z transformation was utilised. A significant difference was found between the QoL domains of *Housing* and *Employment*, z =.03, SEM = 0.05, $p <$ .05 (two tails). This suggested that as income increased, *Housing* was significantly more important than *Employment* for having a good life. A significant difference was also found between the QoL domains of *Housing* and *Physical Health*, z = 3.42, SEM = 0.05, $p < .05$ (two tails).This suggested as income increased, *Housing* was significantly more important than *Physical Health* for having a good life. Overall, the results showed that income was only minimally related to the importance placed on different QoL domains.

Table 3

Spearman Rho Correlation Coefficients for Income (IV) and Perceived Importance of each QoL Domain (DV)

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Income	-													
QoL domains														
2. Housing	.139**	-												
3. Quality of neighbourhood	.054	.429*	-											
4. Employment	.117*	.450**	.425**	-										
5. Quality of working life	.108*	.384**	.406**	.524**	-									
6. Savings, wealth and assets	.028	.330**	.320**	.384**	.369**	-								
7. Social relationships	.018	.308**	.386**	.280**	.299**	.218**	-							
8. Leisure and spare time activities	.011	.279**	.321**	.307**	.318**	.308**	.428**	-						
9. Physical health	-.119*	.293**	.377**	.332**	.283**	.259**	.290**	.282**	-					
10. Psychological/mental health and emotional wellbeing	-.002	.323**	.371**	.266**	.297**	.288**	.290**	.316**	.462**	-				
11. Religion and spiritual life	-.094	.263**	.292**	.145**	.130*	.104	.401**	.202**	.285**	.322**	-			
12. Information and knowledge	.120*	.259**	.291**	.284**	.295**	.246**	.355**	.343**	.326**	.422**	.265**	-		
13. Political participation	.010	.111*	.150**	.127*	.178**	.217**	.205**	.130*	.174**	.249**	.284**	.231**	-	
14. Government performance	.004	.111*	.113*	.112**	.177**	.149**	.112*	.077	.229**	.325**	.252**	.294**	.654**	-

* $p < .05$, two-tailed. ** $p < .01$, two-tailed.

4.2.2. Hypothesis 2: The Perceived Freedom to Attain Different QoL Domains is Related to Income to Varying Extents

Results from the Spearman rho correlation analysis showed, as displayed in Table 4, that there were significant, positive relationships between income and the perceived freedom to attain different QoL domains.

Specifically, a weak, significant positive association was found between income and *Quality of Working Life* (r_s (345) .241, $p < .01$) and *Information and Knowledge* (r_s (345) .206, $p < .01$). Moreover, a very weak, significant positive association was found between income and the perceived freedom to attain *Psychological/Mental Health and Emotional Wellbeing* (r_s (345) .174, $p < .01$); *Savings, Wealth and Assets* (r_s (345) .154, $p < .01$); *Employment* (r_s (345) .157, $p < .01$); *Leisure and Spare Time Activities* (r_s (345) .148, $p < .01$); *Quality of Neighbourhood* (r_s (345) .111, $p < .05$); *Social Relationships* (r_s (345) .115, $p < .05$); and *Housing* (r_s (345) .131, $p < .05$). That is, as income increased, these domains were increasingly perceived as being attainable to have a good QoL.

Fisher's z transformation was utilised and statistically significant differences were found between the correlations for income and the QoL domains of *Quality of Working Life* and *Information and Knowledge*, z =.035, SEM =.05, $p < .05$ (two tails), as well as between *Leisure and Spare Time Activities* and *Psychological/Mental Health and Emotional Wellbeing*, z = .35, SEM = .05, $p < .05$ (two tails). This suggested that the association between income and *Quality of Working Life* was significantly stronger than the relationship between income and *Information and Knowledge*. Equally so, the correlation between income and *Leisure and Spare Time Activities* was stronger than between *Psychological/Mental Health and Emotional Wellbeing*. Overall, the results showed that income was minimally related to the perceived attainment of different QoL domains.

Table 4

Spearman Rho Correlation Coefficients for Income (IV) and Perceived Freedom of each QoL Domain (DV)

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Income	-													
QoL domains														
2. Housing	.131 *	-												
3. Quality of neighbourhood	.111*	.474**	-											
4. Employment	.157**	.545**	.434**	-										
5. Quality of working life	.241**	.452**	.380**	.684**	-									
6. Savings, wealth and assets	.154**	.543**	.382**	.569**	.468**	-								
7. Social relationships	.115*	.435**	.365**	.334**	.378**	.375**	-							
8. Leisure and spare time activities	.148**	.372**	.292**	.355**	.379**	.445**	.458**	-						
9. Physical health	.048**	.337**	.373**	.403**	.402**	.421**	.493**	.462**	-					
10. Psychological/mental health and emotional wellbeing	.174**	.390**	.388**	.408**	.352**	.427**	.505**	.539**	.625**	-				
11. Religion and spiritual Life	.003	.240**	.121*	.179**	.256**	.203**	.315**	.230**	.296**	.294**	-			
12. Information and knowledge	.206**	.381**	.286**	.364**	.390**	.350**	.445**	.458**	.397**	.493**	.442**	-		
13. Political participation	.075	.123*	.166**	.024	.137**	.100	.242**	.153**	.184**	.189 **	.319**	.286**	-	
14. Government performance	.083	.210**	.284**	.209**	.171**	.248**	.183*	.159**	.233**	.211**	.163**	.283**	.586**	-

* $p < .05$, two-tailed. ** $p < .01$, two-tailed.

4.2.3. Hypothesis 3: There is a Positive Nonlinear Relationship between Income and QoL

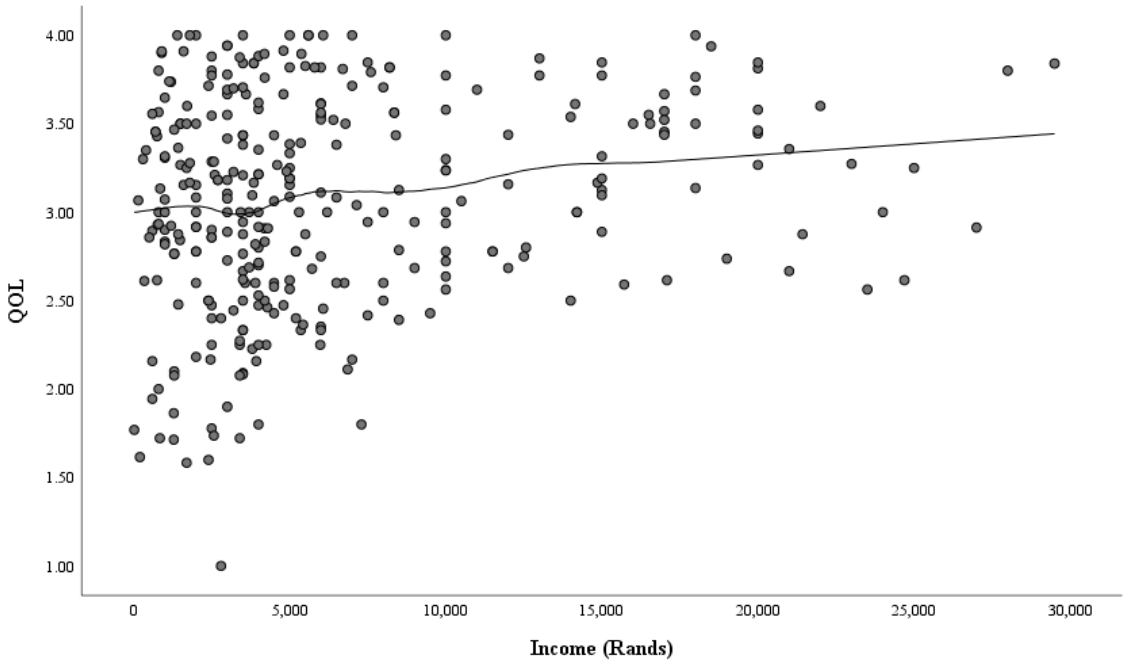
To determine the nature of the relationship between income and QoL overall, LOESS was performed. For this, the overall QoL score was used (see Chapter 3). The scatterplot between income and the overall QoL scores shown in Figure 3 below indicates a nonlinear relationship between income and QoL (r_s =.178). When analysing the dispersion in the data, it appeared that the majority of the sample earned an income of below R 10,000. Between R 3,000 and R 4,000, an increase in income was related to a decrease in QoL, and the strongest positive association between income and QoL at monthly income levels was between R 4,000 and R 5,000. At higher income levels the sample included increasingly fewer participants, which suggests that most South Africans earn lower incomes. It was also evident that only individuals at lower income levels had a QoL score below 2.5 which indicates a lack in overall QoL. The trend thus shows that the higher the income, the greater the capability to attain a good QoL; even though there are also individuals with high self-perceived capability at very low income levels. This trend seems to be driven by individuals' lack of self-perceived capability decreasing with increased income. Consequently, it can be concluded that as income increases, fewer individuals feel they lack capabilities to have a good life.

4.2.4. Hypothesis 4: There is an Income Amount at which Individuals Acquire the Capabilities they Perceive as Relevant to have a Good QoL

As can be seen in Figure 3, the LOESS curve, which lies above the QoL scale midpoint of 2.5, indicates that at all income levels, on average, individuals can attain their valued capabilities. Moreover, at an income of R 10,000, the slope stabilised and slowly increased as income increased, which suggested that the shift in determining a good QoL was achieved at an income level of R 10,000. Furthermore, above a monthly income of R 10,000, no participants perceived an absence of capability.

Figure 3

Scatterplot Indicating the Relationship between Monthly Income (in Rands) and QoL



4.5. Summary

Overall, the results found that as income increased, the perceived importance of QoL domains of *Housing*, *Employment*, *Information and Knowledge*, and *Quality of Working Life* increased. Furthermore, the perceived importance of the QoL domain of *Physical Health* decreased, which suggested that this QoL domain was perceived as less important with increasing income. However, these correlations were weak; thus, suggesting that income was minimally related to the importance placed on different QoL domains. In terms of the perceived attainment of different QoL domains, all QoL domains were seen as more attainable with increasing income excluding the QoL domains of *Physical Health*, *Religion and Spiritual Life*, *Political Participation*, and *Government Performance*. Similarly to the importance placed on different QoL domains, the other nine QoL domains had weak relationships. This suggests that income was also minimally related to the perceived attainability of different QoL domains.

The relationship between income and QoL was nonlinear and showed a similar finding to Carr et al. (2018) who found a trap-rise-pause-rise pattern with higher income enabling greater

capability to attain a good QoL. However, there were also individuals with high self-perceived capability at very low income levels. Furthermore, it was found that at a monthly income of R 10,000, no participants perceived an absence of capability. This suggests that, on average, individuals were able to attain their valued capabilities at all income levels; however, were more able to do so as income increased.

5. Discussion

The present study employed Sen's (1985) capability approach, which posits that an individual's capability to achieve the QoL domains which they value is what encompasses a good QoL. In doing so, the study expanded on Carr et al.'s (2018) and Teng-Celleja et al.'s (2019) research by focusing on the importance of subjective perceptions and experiences of wellbeing and by determining the QoL domains perceived as important and attainable in the South African context. The study's premise was that this perspective of wellbeing provides a better indicator of individual wellbeing than purely economic indicators, such as GDP, because it accounts for the multidimensionality of wellbeing as well as differences in QoL domains that are perceived as important to individuals. In addition, specific valued and attainable QoL domains, within South Africa particularly, have not yet been sufficiently addressed; therefore, the present study addressed this gap in literature. In line with this, the study's purpose was to firstly, determine the extent to which individuals living in South Africa valued different QoL domains as well as perceived them as attainable in relation to their income from work activity; secondly, to determine how income was related to QoL to better understand this complex relationship in the South African context using this new, capability-based wellbeing measure; and finally, to determine whether there was an income level at which South Africans felt they had the capability to realise valued QoL domains to have a good life.

The study results provided supporting evidence that (1) the QoL domains individuals perceived as important varied in relation to income, (2) specific QoL domains were perceived as attainable and these were related to income to varying extents, (3) as income increases, fewer individuals feel they lack the capabilities to have a good life with a monthly income of R 10,000 being sufficient to eradicate a lack of capability, which (4) indicated that an income level was present from which individuals perceived themselves as having the capability to attain the QoL domains that they valued.

These findings suggest that different QoL domains are valued and seen as attainable in relation to income, with some domains being perceived as more or less important and attainable for South Africans to achieve the kind of lives they reasonably value. Specifically, income is an important contributor to achieving these QoL domains, with a specific income amount being required from which individuals perceive the capability to achieve QoL domains and, thus, sustainable livelihoods. The specific findings are interpreted and discussed in more depth below

in relation to existing literature. Then, the study limitations are recognised, theoretical and practical implications identified, and recommendations for future research presented.

5.1. The Importance and Attainability of Different QoL Domains and their Relation to Income

The findings revealed that the association between income and different QoL domains were very small, which suggests that income is minimally related to different QoL domains in terms of their perceived importance and attainment in South Africa. The strongest associations were found for *Housing*, *Employment*, and *Information and Knowledge* and suggested that as income increased, the perceived importance of these QoL domains for a good QoL increased.

Specifically, *Housing* was valued across income levels which suggests that individuals value having a place that is safe, clean, and strong as well as equipped with electricity, water, and toilet facilities. However, as income increased, this QoL domain became more valued, which may be due to changing standards in the type of house individuals perceive as valuable. In addition to this, *Housing* became more attainable with increases in income, which is in line with Sen's (1985) capability approach, suggesting that increased income enables increased capabilities, i.e. as income increases, individuals' freedom to choose the type of *Housing* they value also increases, leading to increased QoL. Overall, at higher income levels, individuals perceived *Housing* as more important for a good QoL.

The desired *Quality of Neighbourhood* appeared more attainable as income increased, with quality of neighbourhood having been defined as a safe place to live with good relations with neighbours. This may suggest that as income increases, individuals are able to choose the type of housing they value and the area in which they would like to live; thus, their ability to attain the desired quality neighbourhood also increases.

In line with this, *Employment*, which refers to permanent employment that pays individuals an adequate income, was also found to be both more important and attainable as income increased. This suggests that employment that pays individuals an adequate income enables individuals to attain a good QoL. This is consistent with research suggesting that decent employment enabled by a living wage, which allows individuals to live beyond their basic needs and enables individuals to meaningfully contribute to society, is essential to ensuring QoL (Carr et al, 2016; Carr et al., 2018; Yao et al., 2017). This has also been advocated for by Sen (1985) who posited that income enables individuals the freedom to choose to carry out functionings which they value; this freedom

to choose is enabled by a living wage and contributes to poverty upliftment (Rao & Min, 2018; Zeng & Honig, 2017). Thus, this finding advocates for an income level that enables individuals the capabilities to live a good life. Furthermore, jobs that pay higher generally comprise work that is more specialised compared to lower income jobs. In this regard, as income increases, individuals' fears of not finding alternative employment may decrease; thus, resulting in the finding that *Employment* is perceived as within their capability to attain a good QoL. Moreover, an adequate *Quality of Working Life* was also found to be more attainable with increasing income. This may again suggest that when individuals are employed in specialised skills work, which is generally remunerated better, they perceive that they have more freedom to choose alternative work should they not be satisfied with their existing quality of work life. Thus, specialised skills jobs might ensure increased employability and leveraging power which stems from being able to choose alternative work; individuals may perceive that quality of working life is therefore within their capability as income increases.

Not only does increased income ensure increased capabilities of *Employment* and *Quality of Working Life*, but adequate income enables individuals to save, be free from debt, own their own house, and attain other relevant assets (*Savings, Wealth and Assets* QoL domain). Therefore, it is not surprising that with increased income, South African individuals perceive this to be more attainable. In addition, most participants reported that they had full-time employment, which suggests that as income increases, individuals' capability of saving, investing in assets, and owning a house also increases. However, the present study's results also demonstrate that capability increases with income; thus, affording individuals more choices as income increases.

Interestingly, *Information and Knowledge* was found to become more important and attainable as income increased, which may demonstrate that income is important in being able to attain education. That is, as previously demonstrated, highly specialised skills employment presupposes that individuals have obtained at least a matric qualification; thus, income earned at this level may increase their capability to use their education to attain valued *Employment.* In addition, this QoL domain may be perceived as more attainable as with more income, individuals are able to further upskill themselves and, therefore, have more freedom to attain other relevant QoL domains; thus, an improved QoL. This finding may also suggest that income is a prerequisite to attaining further education (tertiary education) and with more income, the freedom to choose whether individuals want to do so also increases.

Contrastingly, as income increased, it was found that the perceived importance of *Physical Health* to have a good QoL decreased. This suggests that although physical health was seen as relevant across income levels, it may have been seen as less relevant to have a good QoL at higher income levels. This may mean that South African individuals at lower income levels ascribed more importance to this domain as this would have more negative consequences for them. To illustrate, individuals with lower incomes often do not have the financial means needed to afford medical aid or income protection insurance, they often live in conditions that could negatively affect their health (i.e. poverty stricken conditions), and their health is more important as they rely on it to be able to continue working and earning an income to sustain themselves and their families. Similarly, *Psychological/Mental Health and Emotional Wellbeing* may also be more attainable as the higher the income, the higher the probability that individuals can afford to invest in their psychological/mental health and emotional wellbeing. This also could be due to the likelihood that higher income earners have better social connections to mental health experts (for example, doctors tend to have social connections to psychologists and better access to their services and expertise due to operating within similar income class levels) that can enable them to afford access to these quality services. Furthermore, lower income jobs usually require overtime and additional hours (in contrast to the usual eight hours per day) to be able to afford to meet basic needs and provide for their families; thus, this QoL domain is only attainable if the income earned is adequate to afford them medical cover, being able to pay for psychologists, or paying for a gym membership to improve their health. Moreover, studies have shown that leisure was important for wellbeing and that with adequate income, individuals have more time to spend on leisurely activities as they do not need to work more hours to meet their basic needs; thus, also increasing their attainability of the *Leisure and Spare Time Activities* QoL domain (Brajša-Žganec et al., 2011; Drobnič et al., 2010). The finding in the present study that the perceived attainment of *Leisure and Spare Time Activities* increased with higher personal income is thus consistent with prior findings. In addition, research has found that social capital and social support were important determinants of wellbeing; thus, in line with the present finding that *Social Relationships* were perceived as more attainable when income increased (Cramm et al., 2010; Diener, 2010). Furthermore, at lower income levels, as previously mentioned, individuals often do not have the time to spend with their families as they need to work longer hours to earn a sufficient income to support themselves and their families. Individuals also have to invest additional time in household chores and cleaning as they may not

have the appliances that could do this for them, such as a washing machine or dishwasher, often afforded with higher income. Thus, as income increases, this QoL domain is more likely to become attainable as individuals would not necessarily need to work as long hours as their income is sufficient to allow them to meet their basic needs as well as be able to accumulate savings to decrease future risks, such as unexpected medical emergencies or economic distress leading to temporary unemployment (Carr et al, 2016a, 2016b; Carr et al., 2018; Yao et al., 2017).

In comparing the present study's findings to Teng-Celleja et al.'s (2019), they had also found *Physical Health*, *Psychological/Mental Health and Emotional Wellbeing*, and *Savings, Wealth and Belongings* as important QoL domains for a good life in their study in the Philippines. This suggests that these QoL domains might be seen as important for a good QoL across different contexts, although this would need to be tested in further societies of course. Although participants also considered *Religion and Spiritual Life* and *Social Relationships* as important, similarly to Teng-Celleja et al. (2019), these domains were found to be less important than the other QoL domains in this study's South African sample. This may be due to QoL domains of *Employment*, *Housing*, and *Quality of Working Life* reflecting the South African context of precarious employment, high income inequality, high unemployment rates, and inadequate housing which is not as prevalent within the Philippines. To illustrate, South Africa had an unemployment rate of 26.9% in 2018 compared to a rate of 2.2% in the Philippines (Country Economy, n.d.).

The above findings are consistent with literature on implementing a living wage to ensure a decent standard of living which includes access to food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events (Carr et al, 2016; Carr et al., 2018; Global Living Wage Coalition, 2016; Yao et al., 2017). In line with this, Felix and Garcia-Vega (2012) also found that the environment, i.e. home/living situation, and safety and security were important determinants of wellbeing and that income should be sufficient to enable individuals to meet these basic needs. Therefore, implementing a living wage is again emphasised as being important for ensuring that individuals are able to attain these QoL domains and, evidently, increase their overall QoL. Implementing a living wage will thus enable individuals to choose the kind of lives they value by increasing their freedom to choose a life that they perceive as valuable; thus, enabling individuals to make their own choices about their livelihood (Hammell, 2015; Hasan, 2019; Naz, 2016; Ndomoto et al., 2018; Ngcwangu, 2019; Robertson, 2015; Sferrazzo & Ruffini, 2019; Wells, 2020).

Overall, the relationships between income and the importance of different QoL domains as well as between income and their attainability was weak; however, as Lucas and Schimmack (2009) point out, this does not necessarily mean that these relationships should not be considered as relevant as weak correlations could reflect significant mean-level differences between individuals. Therefore, this result is not surprising as the perceived importance and attainability an individual ascribes to different QoL domains would be influenced by numerous other factors i.e. personality characteristics, unexpected life events, the external environment, and so forth. In addition, individual income from work was considered; however, other aspects such as additional income sources, number of dependents, and so forth, were not considered. Therefore, based on the above findings, income is one contributor to QoL with increased levels of income resulting in fewer individuals lacking the capabilities needed to live the life they value. This then demonstrates that implementing a living wage may reduce the extreme values accompanied at lower incomes in terms of individuals' lack of capability to have a good QoL.

5.2. The Relationship between Income and QoL

A positive relationship between income and QoL was found in the present study, which is consistent with prior studies investigating the relationship between income and QoL (Cheung & Lucas, 2016; Cramm et al., 2010; Felix & Garcia-Vega, 2012; Luhmann et al., 2011; Sacks et al., 2010). That is, as income increased, South Africans tended to experience higher levels of QoL. Furthermore, the strength of this relationship (r =.178 in the present study) was consistent with previous literature wherein it was found that the correlations between income and life satisfaction, a determinant of QoL, was within the range of r = .17 and r = .21 (Cheung & Lucas, 2016).

Similar findings were also found across literature wherein higher correlations between income and QoL were found among lower income groups (e.g. r = .28) compared to that among higher income groups (r = .13), which may suggest differences in the strength of the relationship between income and QoL across income groups (Cheung & Lucas, 2015; Lucas & Schimmack, 2009). The weak relationship found within the present study could be due to differences in the classification of 'low' versus 'high' incomes. To illustrate, Cheung and Lucas (2015) considered 'low income' as $ 17, 800 compared to the present study where 'low income' was considered as earning less than R 10,000 a month and 'high income' as earning above R 10, 000 per month, according to the Buruea of Market Research (BusinessTech, 2016). Furthermore, the majority of

the sample earned lower incomes (below R 10,000), which is consistent with prior literature wherein South Africa has been shown to have more individuals situated at lower income levels and further demonstrates the level of income inequality present within South Africa (Carr et al., 2018). Therefore, the level of income inequality present within a country could also affect the strength of the relationship between income and QoL; thus, possibly explaining the weak relationship found in the present study.

The finding that the strength of the relationship between income and QoL differs depending on the income range considered aligns with Carr et al.'s finding (2018) that the relationship between income and QoL is curvilinear and positive until an income level at which individuals perceive themselves as having the capability to attain a good QoL. In this study, this income level was R 10, 000, which is similar to the level found by Carr et al. (2018). Carr et al. (2018) had also found that at lower income levels, a poverty trap was evident, especially in South Africa with lower incomes on average and higher income inequality. They further suggested that, to address this poverty trap and the problem of working poverty, it is vital that individuals stay ahead of the curve (defined as the point at which positive QoL is reported). The finding that at R 10, 000 no individuals reported a lack of capabilities suggests that wages below this income level can inhibit individuals' capabilities to attain a good QoL and make it less possible to live the lives they value. It is interesting that the finding in the present study is consistent with the findings of Carr et al.'s study which was conducted in 2015 as this suggests that even though the topic of living wages and sustainable livelihoods have been emergent within SA, this seems to not have been sufficient in addressing the need for improvement of South Africans' QoL.

An interesting finding was also found whereby several individuals earning no income also perceived themselves as having the capability to attain a good QoL. This result may indicate that due to the level of income inequality present within South Africa (majority of the sample earning below R 10, 000 and less individuals earning above R 10, 000), individuals have adapted to utilising their existing available resources to ensure their basic needs are met. This could also mean that these individuals have become content with less. Furthermore, the stable above average QoL score indicated that individuals felt satisfied with their QoL when earning incomes between R 3,000 and R 4,000, consistent with a study done by Cramm et al. (2010) who found that income predicted wellbeing in a poor community in the Eastern Cape where income ranged from R 1,000 to R 2,000 and above. This further demonstrates that a good QoL can be attained at any income

level; however, as income increases, fewer individuals experience poor QoL. Income may then be considered a potential buffer against poor QoL, which further emphasises the importance of ensuring income is sufficient to enable individuals to live the lives they value.

Overall, the empirical findings suggest that although a good QoL can be attained at all income levels, an income of R 10,000 would mean that individuals would not experience poor QoL, and would thus serve as an adequate living wage level. Furthermore, according to Trading Economics (2020), the proposed living wage was R 6,570 in 2018 (compared to the minimum wage of R 21,69 per hour as of 1 March, 2021 and approximating to R 3, 500 per month). The present findings therefore suggest that this amount is insufficient and that a substantially higher amount (R 10,000 in South Africa) is needed. Furthermore, this suggests that implementing a living wage of R 10,000 would provide individuals with some level of choice over their valued life domains and thus contribute towards sustainable livelihoods within South Africa (Adams, 2017; Carr et al., 2016a, 2016b, 2018; Parker, 2017; Yao et al., 2017; Zeng & Honig, 2017).

Studies have argued that determining wellbeing from a subjective viewpoint is a better determinant of wellbeing compared to economic indicators, such as GDP, which neglects the multidimensionality of wellbeing (Martinetti, 2000; Robertson, 2015; Teng-Calleja et al., 2019). However, differences in perceptions of valued QoL domains and the freedom perceived by individuals to attain these have shown that differences exist across contexts (Akay & Martinsson, 2011; Galinha et al., 2016; Pittau et al, 2010; Posel & Casale, 2011; Sacks et al., 2010). Therefore, it is vital to allow individuals to determine which QoL domains are more or less relevant in determining their QoL. In doing this, emphasis can be placed on relevant QoL domains within South Africa and a living wage relevant to this context can be implemented. This ensures a more accurate measure of individual wellbeing and provides important insights into specific QoL domains that should be focused on to ensure South African individuals have the capabilities relevant to them to live a good life. This study has shown initial evidence that an adjusted form of Teng-Celleja et al's (2019) wellbeing measure, which has been theoretically derived from Sen's capability approach, may be a useful multidimensional and subjective wellbeing measure. In this way, the study's findings have provided a starting point for future research in more accurately measuring QoL and, subsequently, determining wellbeing.

5.3. Limitations

Although this study provided important insights into the income–QoL relationship as well as individuals' capabilities to realise valued QoL domains, several limitations were present which need to be discussed to ensure the interpretation of results are made within the context of these limitations.

5.3.1. Data Collection

As data collectors administered the questionnaire, respondents might have felt resistance to offer honest accounts of their income and perceptions as they might fear judgment by the research assistants when providing this information. Therefore, response bias could have affected the responses given as research assistants were physically present in the completion of questionnaires (Pannucci & Wilkins, 2010). This is especially likely as potentially sensitive information was provided, i.e. salary information.

Furthermore, it is important to note that the COVID-19 pandemic and its associated effect on social and economic life in 2020 might have altered which QoL domains South Africans would have seen as important and attainable. As the data was collected prior to the pandemic, the results may not fully capture participants' current sentiments. In addition, it has not been possible to identify possible recording errors by data collectors. For example, the continuous income data had to be converted to monthly income amounts (respondents had to enter their income amount, which may have been entered as a daily, monthly, fortnightly, or weekly amount as described in Chapter 3), which may not have been consistently done throughout the data capturing process; the possible effect of such errors on the results is unknown.

5.3.2. Study Design

As the main analyses within this study was based on correlation analysis, causal relationships could not be drawn between income and different QoL domains. Thus, future research should seek to investigate causal relationships between income and the perceived importance and attainability of different QoL domains to determine if income changes the perceived importance and attainment of different QoL domains. This would enhance the findings made in the present study and possibly offer additional support for implementing a living wage at R 10, 000 as suggested as relevant within the South African context.

The use of the continuous income variable only (actual income amount given by the participants) to investigate the complex relationships between income and QoL could have also influenced the results as the majority of individuals indicated a range within which their income fell. This could have influenced results as this diminished the sample size on which analyses could be run as some income categories were omitted.

5.4. Theoretical and Practical Implications

Despite the abovementioned limitations, the findings do present important theoretical and practical implications. The expected contributions of this study are, firstly, to expand existing literature on the importance of a living wage by adding empirical data to – hopefully – show the benefit of determining a living wage (a) via individuals' self-perception about their wellbeing and (b) conceptualising wellbeing as the degree to which individuals can fulfil capabilities that are important to them. The present study showed that using a subjective indicator of wellbeing yielded important insights into which QoL domains were perceived as important and attainable, with differences compared to Teng-Celleja et al.'s (2019) study. This reiterated how differences exist in the QoL domains individuals consider as valuable to live the lives they value; thus, demonstrating the relevance of subjective indicators of wellbeing. Moreover, on a national level, by providing information on wage levels required for individual wellbeing, these findings align to the national objective of poverty alleviation.

Secondly, since research on adequate income levels has fallen mainly within the economic field, this research provides insights into potential better indicators of wellbeing from a psychological perspective by utilising a measure focused on individual perceptions of QoL. Furthermore, the measure used in the present study only considered QoL domains that individuals valued in determining QoL; thus, provided a more accurate measure in determining subjective QoL.

Lastly, to offer a more in-depth understanding of what constitutes a good QoL among South Africans, it is necessary to investigate the extent to which importance and attainment is placed on each domain of QoL. This is important as research has shown that perceptions of QoL differ across individuals and across contexts; thus, a universal definition of important QoL domains to attain a good life is not sufficient. Consequently, the findings within this study have highlighted the QoL domains which residents in the City of Cape Town value the most and which ones were perceived

as most attainable for enabling individuals to attain a good QoL. Specifically, *Housing*, *Employment,* and *Information and Knowledge* were considered the most important QoL domains. In addition, the QoL domains of *Quality of Working Life*; *Information and Knowledge; Psychological/Mental Health and Emotional Wellbeing*; *Savings, Wealth and Assets*; *Employment*; *Leisure and Spare Time Activities*; *Quality of Neighbourhood*; *Social Relationships*; and *Housing* were found as the most attainable. Therefore, these findings could be used to inform future policy in improving South Africans' wellbeing by prioritising these QoL domains found as important and attainable within the South African context by implementing a living wage that would ensure less individuals lack these capabilities. This will not only enable more individuals to achieve an improved QoL, but will also ensure better alignment with the SDGs on a societal level.

5.5. Directions for Future Research

In terms of future research, it would be useful to further extend the current findings by focusing on relative income, how individuals perceive their income amount compared to others, instead of absolute income and how it could predict or be related to specific QoL domains within South Africa. This would be important to consider in the income-QoL relationship as it influences individuals' perceptions of wellbeing where, when the income of others is higher relative to one's own income, subjective wellbeing seems to be lower (Carr et al., 2018; Posel & Casale, 2011). This would enhance the current findings by investigating whether there are indeed differences in individuals' perceptions of QoL depending on relative income, especially within the South African context where income inequality is high and the gap between lower and higher income is large. This has also been suggested by prior literature where, in countries with higher income inequality, income inequality moderated the relationship between income and life satisfaction (Cheung & Lucas, 2015). Thus, it would provide insight into how comparing income levels with those of others could influence individuals' perceptions and attainment of wellbeing, which would further extend the present study's findings.

As mentioned previously, participants perceived QoL domains as important and attainable with the importance and attainability ascribed to some varying depending on income. As the main aims of the present study were to determine the relationship between income and each important and attainable QoL domain, future research should investigate perceptions of important and attainable QoL domains depending on the income level in which individuals fall. This would

provide a more comprehensive view on income and how it influences individual perceptions of QoL. Similarly, future studies should ensure one measure of income is incorporated into their investigations, unlike the two measures of income present in this study whereby only one could be utilised, as this will enable a more in-depth view of the income-QoL relationship. In addition, future research should consider using the measure used in the present study to empirically test it against objective indicators to investigate whether subjective measures of wellbeing are indeed superior. For example, control variables such as the number of dependents, type of accommodation, and additional income sources should be considered. Although this data was available in the present study's dataset, it was decided (in consultation with my supervisor) that this would not be required for the purpose of this Master's dissertation and not required according to Carr et al.'s (2018) research who found a similar shaped LOESS curve as that found in the present study.

Finally, as the occurrence of COVID-19 was unprecedented, future research could utilise the data in the present study as a baseline for future studies to examine the possible influence of COVID-19 on perceptions of important and attainable QoL domains depending on income. Furthermore, comparisons can be made between changing perceptions of QoL domains pre- and post-COVID, which would provide an interesting contrast to the data obtained in this study. That is, the influence of COVID-19 (due to its global health and economic impact) on the perceptions of important and attainable QoL domains would provide additional insights into how external factors, such as COVID-19, could influence subjective perceptions of wellbeing.

6. Conclusion

In sum, this study expanded on the study done by Carr et al. (2018) by using and adapting an indicator of wellbeing developed by Teng-Celleja et al. (2019) to determine subjective perceptions of importance and attainment of different QoL domains and their relationship with income; thus, addressing a gap in literature as these have not been previously assessed separately. Furthermore, the measure utilised in the present study focused only on the life domains that individuals considered important to determine an overall capability score; thus, providing a more accurate measure in determining wellbeing which can be utilised in future studies. Although there were several limitations evident within this study, the findings showed that there were specific QoL domains that South Africans perceived as important (*Housing*, *Employment*, and *Information and Knowledge*) and attainable (*Quality of Working Life*; *Information and Knowledge; Psychological/Mental Health and Emotional Wellbeing*; *Savings, Wealth and Assets*; *Employment*; *Leisure and Spare Time Activities*; *Quality of Neighbourhood*; *Social Relationships*; and *Housing*) to ensure their capabilities to attain a good QoL. Furthermore, at an income level of R 10, 000, it was evident that QoL shifted and steadily increased as income increased; thus, supporting the notion that implementing a living wage at this level would increase individuals' wellbeing by enabling them the freedom to achieve valued functionings and attain a good QoL. These results can be utilised in the development of future policy in addressing the SDGs of decreasing poverty and promoting decent work; thus, enabling increased QoL for South Africans and leading to sustainable livelihoods. Further research on this topic will enhance the findings of the present study and will provide further significant insight into the perceived importance and attainment of QoL domains and their relation to income. In turn, this will provide a more comprehensive understanding of the complex relationship between income and QoL, particularly within the context of South Africa, and will be able to inform future interventions on an individual, organisational, and societal level in improving QoL and subsequently, wellbeing.

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Appendix: Survey Instrument

BLOCK 1: SOCIO-DEMOGRAPHIC PROFILE OF THE RESPONDENT

1. What is your age? _____ *(write down age in years)*

2. What is your gender?

- Male ☐
- Female ☐
- Other ☐
- Prefer not to say ☐

3. What best describes your ethnicity?

- Asian ☐
- Black African ☐
- Coloured ☐
- Indian ☐
- White ☐
- Other ☐
- Prefer not to say ☐

3a. What is your home language?

- Afrikaans ☐
- English ☐
- isiNdebele ☐
- isiXhosa ☐
- isiZulu ☐
- Sepedi ☐
- Sesotho ☐
- Setswana ☐
- siSwati ☐
- Tshivenda ☐
- Xitsonga ☐
- Other ☐

4. How many family members live in your house? _____

5. How many people do you support with your salary? _____

6. What is the highest level of education that you completed? _____

7. What jobs do you have? Position(s) _____

8. How long have you been with your employer(s)? *(write down the number of years)*

Employer 1 _____

Employer 2 _____

Employer 3 _____

Employer 4 _____

Employer 5 _____

9. Nature of main employment:

9a. _____ Permanent _____Contract _____ Project-Based

9b. _____ Full-time _____Part-time

10. How many people are employed by your main employer?

_____ less than 10 _____ 10 to 49 _____50 to 149 _____150 to 499 _____ 500 or more

11. Is there an employee union in the workplace?

_____ Yes _____No _____ I don't know

12. Are you a union member? _____ Yes _____ No _____ I don't know

13. Do you get paid **daily**, **weekly**, **fortnightly** or **monthly**? *(circle the applicable one)*

14a. If you do not mind sharing, how much income do you get paid into your bank account or in cash when you get paid?

_____

(Only ask Question 14b. if 14a not answered)

14b. Would you be willing to share in which category your monthly income **per month** falls?

Under R2 000	R2 000 to R3 500	R3 500 to R7 000	R7000 to R10 000	R10 000 to R15 000	R15 000 to R25 000	Over R25 000

15. How many days did you work in the last month? _____

BLOCK 2: PERCEIVED IMPORTANCE OF SPECIFIC DOMAINS OF LIFE

Now I am going to read a list of things in a person's life that may or may not be important to you to have a good life. For each thing that I will mention, please indicate if this is ***not at all important***, ***not really important***, ***important***, or ***very important***.

Encircle the appropriate answer:

16. How important is **HOUSING** for you to say that you have a good life? *This refers to having a place that is near your place of work, school, etc.; that it is safe from fire and floods; clean and strong, with electricity, water and toilet facilities.*	Not at all important	Not really important	Important	Very important
17. How important is **QUALITY OF NEIGHBOURHOOD** for you to say that you have a good life? *This refers to having a safe place to live; where you have good relations with your neighbours.*	Not at all important	Not really important	Important	Very important
18. How important is **EMPLOYMENT** for you to say that you have a good life? *This refers to having a regular, permanent and legal employment; a place to work that gives you adequate pay.*	Not at all important	Not really important	Important	Very important
19. How important is **QUALITY OF WORKING LIFE** for you to say that you have a good life? *This refers to having a safe place to work; that is suitable to your education, and where you enjoy good relations with your boss and colleagues.*	Not at all important	Not really important	Important	Very important
20. How important are **SAVINGS, WEALTH AND BELONGINGS** for you to say that you have a good life? *This refers to having your own house, appliances, savings and being free from debt.*	Not at all important	Not really important	Important	Very important
21. How important are **SOCIAL RELATIONSHIPS** for you to say that you have a good life? *This refers to being with your spouse, child/children, friends, and enjoying the love of your relatives and friends.*	Not at all important	Not really important	Important	Very important
22. How important are **LEISURE AND SPARE TIME ACTIVITIES** for you to say that you have a good life? *This refers to having time for yourself, being able to rest, relax, and have fun with your loved ones.*	Not at all important	Not really important	Important	Very important

23. How important is **PHYSICAL HEALTH** for you to say that you have a good life? *This refers to being free from sickness and disability, being able to exercise regularly, having regular & nutritious food, enough sleep, and a long life.*	Not at all important	Not really important	Important	Very important
24. How important are **PSYCHOLOGICAL/ MENTAL HEALTH & EMOTIONAL WELLBEING** for you to say that you have a good life? *This refers to giving importance to yourself, having a clear mind, being calm and at peace, and the ability to make personal decisions. This also refers to being respected by your family and other people; the ability to handle your problems and face changes.*	Not at all important	Not really important	Important	Very important
25. How important are **RELIGION AND SPIRITUAL LIFE** for you to say that you have a good life? *This refers to having the opportunity to worship, pray, give to the church/synagogue/mosque/temple, and doing good to others.*	Not at all important	Not really important	Important	Very important
26. How important are **INFORMATION AND KNOWLEDGE** for you to say that you have a good life? *This refers to having the ability to read and write, finish school, learn in different ways aside from school (e.g. watching TV or reading the newspaper), study in a good school (if you plan to study again) and being able to use your education.*	Not at all important	Not really important	Important	Very important
27. How important is **POLITICAL PARTICIPATION** for you to say that you have a good life? *This refers to knowing what is happening in the country, voting in the elections, joining community organizations, and being free to express your political opinion.*	Not at all important	Not really important	Important	Very important
28. How important is **GOVERNMENT PERFORMANCE** for you to say that you have a good life? *This refers to having a country that is peaceful, crime-free, has good public service and a stable economy, where citizens are united, and where there are equal justice and opportunities to everyone.*	Not at all important	Not really important	Important	Very important

BLOCK 3: PERCEIVED FREEDOM TO ATTAIN SPECIFIC DOMAINS OF LIFE

I have asked you how important certain things are for a good life. Now I would like to ask you how possible it is for you to achieve these. For every point that I will mention, please say if for you it is **completely impossible, almost impossible, quite possible, completely possible**.

Encircle the appropriate answer:

29. How possible is it for you right now to get **HOUSING** that allows you to have a good life? *This refers to having a place that is near your place of work, school, etc.; that it is safe from fire and floods; clean and strong, with electricity, water and toilet facilities.*	Completely impossible	Almost impossible	Quite possible	Completely possible
30. How possible is it for you right now to get the **QUALITY OF NEIGHBOURHOOD** that allows you to have a good life? *This refers to having a safe place to live; where you have good relations with your neighbours.*	Completely impossible	Almost impossible	Quite possible	Completely possible
31. How possible is it for you right now to get **EMPLOYMENT** that allows you to have a good life? *This refers to having a regular, permanent and legal employment; a place to work that gives you adequate pay.*	Completely impossible	Almost impossible	Quite possible	Completely possible
32. How possible is it for you right now to get the **QUALITY OF WORKING LIFE** that allows you to have a good life? *This refers to having a safe place to work; that is suitable to your education, and where you enjoy good relations with your boss and colleagues.*	Completely impossible	Almost impossible	Quite possible	Completely possible
33. How possible is it for you right now to get the **SAVINGS, WEALTH AND ASSETS** that allow you to have a good life? *This refers to having your own house, appliances, savings and being free from debt.*	Completely impossible	Almost impossible	Quite possible	Completely possible
34. How possible is it for you right now to get the **SOCIAL RELATIONSHIPS** that allow you to have a good life? *This refers to being with your spouse, child/children, friends, and enjoying the love of your relatives and friends.*	Completely impossible	Almost impossible	Quite possible	Completely possible
35. How possible is it for you right now to get the **LEISURE AND SPARE TIME ACTIVITIES** that allow you to have a good life? *This refers to having time for yourself, being able to rest, relax, & have fun with your loved ones.*	Completely impossible	Almost impossible	Quite possible	Completely possible

36. How possible is it for you right now to get the **PHYSICAL HEALTH** that allows you to have a good life? *This refers to being free from sickness and disability, able to exercise regularly, having regular & nutritious food, enough sleep, and a long life.*	Completely impossible	Almost impossible	Quite possible	Completely possible
37. How possible is it for you right now to get the **PSYCHOLOGICAL/ MENTAL HEALTH & EMOTIONAL WELLBEING** that allow you to have a good life? *This refers to giving importance to yourself, having a clear mind, being calm and at peace, and the ability to make personal decisions. This also refers to being respected by your family and other people; the ability to handle your problems and face changes.*	Completely impossible	Almost impossible	Quite possible	Completely possible
38. How possible is it for you right now to get the **RELIGIOUS AND SPIRITUAL LIFE** that allows you to have a good life? *This refers to having the opportunity to worship, pray, give to the church/synagogue/mosque/temple, and doing good to others.*	Completely impossible	Almost impossible	Quite possible	Completely possible
39. How possible is it for you right now to get the **INFORMATION AND KNOWLEDGE** that allow you to have a good life? *This refers to having the ability to read and write, finish school, learn through different ways aside from school (e.g. watching TV or reading the newspaper), study in a good school (if you plan to study again) and being able to use your education.*	Completely impossible	Almost impossible	Quite possible	Completely possible
40. How possible is it for you right now to **PARTICIPATE POLITICALLY** in a way that allows you to have a good life? *This refers to knowing what is happening in the country, voting in the elections, joining community organizations, and being free to express your political opinion.*	Completely impossible	Almost impossible	Quite possible	Completely possible
41. How possible is it for you right now to get the **GOVERNMENT PERFORMANCE** that allows you to have a good life? *This refers to having a country that is peaceful, crime-free, has good public service and a stable economy*, where citizens are united, and where there are equal justice and opportunities to everyone.	Completely impossible	Almost impossible	Quite possible	Completely possible