



Money Metric versus Non Money Metric Measures of Well-Being

Abstract

Money metric measures and non-money metric measures provide different household rankings of well-being in South African in the post apartheid period. This paper studies both money metric and non-money metric levels of well-being at two different points in time in order to establish whether real welfare gains have taken place in South African in the post apartheid period. I find that the two measures provide a relatively tight overlap between household rankings within periods especially within racial groups. Furthermore the distributions of well-being become less bimodal in the post apartheid period indicating that the less segregated a society is, the larger the overlap in distributions. The main results are that real welfare gains have occurred for all population groups in the post apartheid period, especially Africans using both measures of well-being and that the gains measured in non-money metric measures of well-being are larger than gains measured in money metric measures of well-being.