



RECOVERING FROM COVID-19 AND
INEQUALITY: THE EXPERIENCE OF
SOUTH AFRICA.

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Presentation Outline.

- ❖ Historical overview of poverty and inequality in South Africa.
- ❖ Poverty and inequality Post 1994.
- ❖ Poverty and inequality in South Africa during the pandemic.
 - (i) The multidimensional nature of poverty and inequality in South Africa.
 - (ii) The Covid-19 pandemic in South Africa at a glance
 - (iii) Socioeconomic impact of Covid019 in South Africa.
- ❖ Moving towards a post COVID-19 future- Recommendations.

Historical overview of poverty and inequality in South Africa.

Highlights.

In South Africa the persistence of the triple challenge (poverty, unemployment and inequality) has its roots in colonialism and apartheid, whose legacies persist even today.

It has been found that one of the most prevailing causes of economic inequality is the racially motivated policies of the above, that included but are not limited to, spatial planning (which has led to the rural and urban divide), racial segregation that penetrated all aspects of socioeconomic life, inequality in the labour market (most notably the migrant labour system) and a broad promotion of White interests above other racial groups through.

The past relationship between public policy/laws and inequality shows how labour-market, welfare, education and socioeconomic policies intermingle to shape the inequities (past and present) that exist in society.

Poverty and inequality Post 1994.

Despite twenty-seven years of democracy, South Africa is still grappling with extreme poverty, inequality, and unemployment.

One of the most unequal societies in the world (Gini coefficient as reported by the World bank is 0,63.)

Over 50% of the population lives in poverty. (Approximately 55.5 percent (30.3 million people) of the population is living in poverty at the national upper poverty line (~ZAR 992) while a total of 13.8 million people (25 percent) are experiencing food poverty) .

Concentration of the poor in rural and peri urban areas.

In accessibility to opportunities for upward mobility.

Wage inequality.

Poor service delivery.

The aim to eradicate inequality has not only stagnated, but inequality has actually increased instead and poverty and inequality in South Africa have proved to be multidimensional and presenting intersecting challenges.

The multidimensional nature of poverty and inequality in South Africa

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	30.3	55.5	2014
International Poverty Line 12 in South African rand (2014) or US\$1.90 (2011 PPP) per day per capita	10.3	18.9	2014
Lower Middle Income Class Poverty Line 20.2 in South African rand (2014) or US\$3.20 (2011 PPP) per day per capita	20.5	37.6	2014
Upper Middle Income Class Poverty Line 34.6 in South African rand (2014) or US\$5.50 (2011 PPP) per day per capita	31.1	57.1	2014
Multidimensional Poverty Measure		19.3	2014
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-1.34	2010-2014
INEQUALITY			
Gini Index		63.0	2014
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.11	2010-2014
GROWTH			
Annualized GDP per capita growth		0.86	2010-2014
Annualized Consumption Growth per capita from Household Survey		-1.23	2010-2014
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-0.92	2010-2014

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2020, and Global Monitoring Database for the rest.



WORLD BANK GROUP
Poverty & Equity

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The multidimensional nature of poverty and inequality in South Africa.

- ❖ Intersection of race, class, gender and geography.
- ❖ Intergenerational transmission of poverty and inequality .
- ❖ Class immobility.

Covid-19 in South Africa at a glance.

				
11 325 572	1 632 572	1 537 430	55 772	4 236
TESTS CONDUCTED	POSITIVE CASES IDENTIFIED	TOTAL RECOVERIES	TOTAL DEATHS	NEW CASES

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22
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The socioeconomic impact of Covid019 in South Africa.

Prior to the Covid-19 pandemic, South Africa was already in a successive recession, there was slow economic growth and a stagnant employment sector.

According to the latest Quarterly labour force survey (QLFS) for the fourth quarter of 2020 that was released by Statistics SA on the 23rd of February 2021, the official unemployment rate in South Africa now stands at 32, 5% with a 1,7 % increase from the previous quarters. This statistic is the highest unemployment has been in South Africa since 2008, “the number of unemployed persons increased by 701 000 in Q4: 2020 following an increase of 2,2 million in the previous quarter.”

The Covid-19 pandemic is proving to be a virus of inequality, which has worsened the already existing inequities. In a report published by Oxfam, it was shown “it will take over a decade for the world’s poor to recover economically from the pandemic and South Africa’s 4 billionaires have seen their fortunes increase by R83,321,600,000 since March 2020, enough to give every one of the 5.9 million poorest South African people a cheque for R14,049 each”.

Statistics South Africa has reported that “inflation jumped to 4,4% in April 2021 from 3,2% in March 2021”.

The average cost of basic basket of food for household (as measured by the Pietermaritzburg Economic Justice & Dignity Group) is ZAR 4198, while the minimum wage is ZAR 3296.

The economic impacts of the Covid-19 pandemic in South Africa are intensifying the experience of poverty and inequality in South Africa, particularly Black women.



“This is a disease of inequality.” -Helen Schneider, professor of public health at the University of the Western Cape.

Moving towards a post COVID-19 future : Recommendations.

- Widening social protection as the instrument of choice for development.
- The economic inclusion of Black women and the youth.
- Domestic resource mobilisation.
- Redistributive and equitable tax measures.
- Increasing protection for informal/precarious workers.

Thank You!

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