

## **South Africa – Rich and the Poor**

The gap between the rich and the poor is the key issue in South Africa. It is Africa's most industrialised economy - but it is also one of the world's most unequal.

The opposition says this has been getting worse under the ANC, which has been in power for a quarter of a century.

### **Measuring inequality**

One measure used by economists to illustrate the degree of inequality within a country is known as the Gini scale. It's based on personal income - the higher the number, the greater the inequality.

On this scale, a zero value represents a completely equal society and 100 the most unequal.

It doesn't tell the whole story but it is at least a starting point for looking at inequality in South Africa both over time and compared with other countries.

By this measure, and using data published by the World Bank, South Africa has the highest level of inequality in the world.

Its neighbours Namibia and Mozambique are close behind, with Brazil also making its way into the top four.

If we then look at the change in this measure over time, and take the period since the ANC came to power in 1994, inequality rose through the 1990s to a peak in 2005.

Since then, it has not changed significantly.

So, based on the Gini data, critics of the ANC government are correct to point out that inequality is very high in South Africa.

But they are not correct in saying that it's getting worse, at least not over the last decade for which data is available.

### **Slower economic growth**

For several years after it came to power, the ANC government made progress in reducing poverty and improving access to basic services.

This was helped by years of decent economic growth - but now that has slowed.

The result is that, overall, South Africans are now poorer.

Income per head - that is, the total output of the economy divided by the population - has fallen fairly steadily since 2010.

Unemployment has continued to rise over this period.

The opposition Democratic Alliance leader, says the gap between "economic insiders and outsiders" has grown.

There is no indication of it closing. We are a country split in two.

And Nkosazana Dlamini-Zuma, a minister in the South African presidency, says: "Inequality has remained stubbornly high."

### **Has poverty got worse?**

Using the South African government's own measure of poverty - any household earning below \$55 (£42) per month - the official data shows that between 2006 and 2011 the proportion below that level dropped from 51% to 36.4%.

But by 2015, this proportion had risen again - to 40%.

"On the whole, the poor have not been the direct beneficiaries of economic growth," says Carlene van der Westhuizen, a South African economist .