



## INCLUSIVE SOCIETY INSTITUTE

### Op-ed

#### ***Achieving wellbeing equality for South Africans: a dream that shouldn't be deferred*** ***Anja Smith, Dave Strugnell and Daryl Swanepoel***

In the book, “The Great Escape: health, wealth and the origins of inequality” the economics Nobel Prize Winner, Angus Deaton, argues that inequality can be one metric against which societies and the world can measure their progress. Are the wellbeing disparities between individuals (aggregate level), or within groups of specific people (e.g., race groups, age groups, sex groups), shrinking with economic progress and the passage of time? Movements in wellbeing inequalities can also be a way in which the performance of a government is evaluated. Are policies being implemented that not only allow average wellbeing measures to improve, but also reduce differences in wellbeing among the population?

Almost three decades have passed since the fall of apartheid, and income inequality persists in South Africa. Economic growth, equity and social cohesion in South Africa are generally considered poor despite considerable policy reform aimed at improving these outcomes. Has the democratically elected South African government made any progress in reducing inequality?

From various academic studies but also policy reports in the post-apartheid period, we know that income inequality is remarkably sticky and wealth inequality even more so. Looking at inequality through a wellbeing lens, as measured by looking at multiple dimensions of everyday life, may allow insights not available when confined to views of income and wealth.

A shift towards a multidimensional framing of poverty and inequality in South Africa lends itself to a more comprehensive description of what has - and has not - been achieved during the new democratic dispensation. By interrogating the changes made in South Africa in a more granular way, the lived experience of South Africans may better be understood and reflected. This approach also allows the drivers of inequality to be identified. In this way, levers of change and opportunity can be identified, and wellbeing inequality can be tackled in a more comprehensive way.

In the recent Inclusive Society Institute report on inequality in South Africa, the institute reviewed available literature on overall income and wealth inequality in South Africa, did calculations on the contribution of certain drivers (economic and demographic) to overall inequality and considered inequality in various wellbeing dimensions: economic, education, health, living conditions, political, physical security and legal, environment, and social and cultural.

The interrogation of the data follows others' findings that the aggregate Gini coefficient has not changed significantly over time. We further show that within-race-group inequality has increased, especially for Black African and Coloured individuals. Drawing on the work of others, we find that most

of the inequality is linked to the labour market: both extremely high unemployment and the distribution of wages drive most inequality in South Africa. There is no clear evidence that inequality has improved over time by taking a generational lens. The evidence on whether the inclusion of older generations (>65 years) in income inequality calculations leads to higher inequality is inconclusive.

While population growth has been decreasing over the post-apartheid period, it is still higher than in comparator countries and higher than the National Development Plan (NDP) targets. Population growth manifests in household composition. We often use household income shared across total members of the household to calculate income used in Gini calculations. Most South African households are extended family households, and these are also the poorest households on a per capita income basis. Bigger, poorer households contribute to inequality as more resources are shared among a big group of people.

There have been significant improvements in access to services in at least four areas: Education, Health, Housing, Water and Sanitation. However, clear socio-economic divides remain, and perpetuate inequalities in multiple wellbeing dimensions. Quality problems in all these service areas prevent South Africans from fully unlocking the opportunities that these services bring.

In many other areas of everyday life, severe inequality remains the order of the day:

- Internet connectivity, which could connect people to economic and other opportunities, remains outside the reach of most South Africans.
- Social and cultural divides remain, with highest inequalities for women and women-headed households and most of the country not regularly interacting with other race groups.
- Physical security inequalities persist along geospatial lines and legal services remain inaccessible for many South Africans.
- While the freedom to vote has improved, political equality is hampered by the perceived inability to express political views.
- Environmental inequalities such as pollution and transport inequalities persist, with specific areas being more exposed to pollution than others, and with high costs of private vehicles and unsafe and unreliable public transport hindering access to economic opportunity.
- Infrastructure has been expanded to include most South Africans but quality differentials, by geography and socioeconomic status, ensure the persistence of inequality.

Improving well-being in South Africa will not happen spontaneously and it will not be an event. Instead, it will require all stakeholders - government, the private sector and civil society - to make a joint, concerted and patient effort to assist with the iterative process of working towards a more equitable society.

While the social grant system can alleviate poverty, it is not capable (even if a basic income grant is implemented) of fundamentally altering the horrifying landscape of inequality in South Africa. Inclusive economic growth and job creation are essential for the improvement of inequality. We need to acknowledge that unemployment in South Africa deserves the same attention that the Covid-19 pandemic received. It is a wellbeing emergency that threatens the life quality and lived experience of many, many South Africans.

A clear focus on quality of services, rather than mere access, is now required. This includes the need for stakeholders to recognise that apart from labour market access and growing the number of available jobs, ensuring a high-quality education system is the single most important thing that can be done to reduce inequality. The country has made significant strides in increasing access to education and educational attainment but unless quality follows, will face more lost generations. Without the proactive and concerted focus of all key stakeholders on critical levers for change, a more equal country remains a pipedream. Greater equality is a dream that shouldn't be deferred.

***This article is an extract from the first in a series of reports by the Inclusive Society Institute on inequality in South Africa.***