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Op-ed

As long as we keep failing our youth, the cycle of inequality will remain unbroken
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The flourishing of current and future generations rests heavily on our ability to build and harness multi-dimensional forms of intergenerational wealth: the health, education, financial security, and social ties of one generation have indelible consequences for the next.

South Africa is widely regarded as the most unequal country in the world, ranking at the top of the global Gini index. More than half of the nation's income is concentrated among the richest 10% of the population, while the poorest 40% share just 7.2% of the country's wealth. Over the past 30 years, South Africa has seen significant gains in access to education, healthcare and social security, and a dramatic recovery in life expectancy following the public roll-out of HIV/AIDS treatment. However, profound structural inequality has meant that the impact of these gains is not evenly distributed: far too few South Africans have realised the promise of democracy. Instead, distributions of power and privilege continue to trace and reproduce centuries-old fault lines of gender, race, and geography, trapping millions of South Africa's poor in cycles of multi-dimensional, intergenerational poverty.

The fact that South Africa's population growth has outpaced projections in the 2012 National Development Plan (NDP) might, for some, suggest an added challenge to reducing inequality and achieving the country's development goals. In a recent study by the Inclusive Society Institute into "Inequality and Demography" the Institute explored the shape and pace of South Africa's demographic transition and the complex implications for inequality.

The report's overarching argument is that while understanding, and paying attention to, population dynamics is critical for South Africa's development planning, we can't rely on demography alone to shift inequality. Although slowed population growth might seem to have a common-sense and immediate relationship with improved equality, particularly in Africa, the reality is a lot more complex. Instead, the prosperity and wellbeing of a country's people hinge in large part on the *shape* (and not just the size) of their population, their intergenerational dynamics, and most especially, their investment in their youth.

Yes, it's true that the South African economy is struggling to keep pace with the growing working-age population. The latest Stats SA data (released in June) show that more than half of young people (15-35 years old) are unemployed. At the crux of the country's inequality problem is the reality of a large unemployed working-age population, with no secure income and few footholds in the formal labour market. As this young population grows faster than the growth in employment, so too does the backlog of young people in need of secure livelihoods. StatsSA data show that the number of people employed increased by just under 2 million between 2007 and 2019, but the working-age population increased by 6.5 million over the same period.

Despite this, curbing population growth is not going to be the salve for inequality. In fact, the relationship between demography and inequality is complicated and often bi-directional. For example, South Africa's population growth is, in fact, slowing along with a steady decline in fertility: total fertility has more than halved since the 1980s. Despite the fact that fertility rates have been slowing for nearly a century, poverty, unemployment, and inequality in South Africa have continued to deepen, suggesting a much more complex relationship between fertility and development.

Beyond the size of our young population, what matters is whether young people are able to make secure livelihoods and achieve social mobility. And this has proven so difficult because much of South Africa's inequality is an inheritance. The future chances of children are tied to those of their parents. To curb inequality, our focus must be on supporting young people's livelihoods in ways that break intergenerational cycles of inequality.

What we can do

ISI research suggests that South Africa's Gini coefficient is incredibly difficult to shift. Even if we were to remove the effects of the wealth concentrated in the top 1% or achieve gender parity, little would change in the Gini without addressing young people's struggle to survive and thrive. Economic growth alone will not be enough to secure the livelihoods of young people. Any definition of economic prosperity must include the creation of jobs and livelihoods; where young people are resourced, equipped and connected enough to take up these opportunities. More so, these opportunities must translate into transferable skills and quality work to break existing patterns of youth 'churn' in the economy.

Advancing equity hinges on education, jobs, intergenerational support and quality healthcare.

5 ways can we do it

- Champion quality education. It remains a critical lever to improving young people's chances of employment. This education also needs to match the skills required by the labour market, so that graduates can find meaningful employment.

- Design social support services and pathways that support quality livelihoods for young people.

- Increase women's labour participation. Women continue to fare poorly in the labour market in terms of employment, job security and earnings. Their potential is largely untapped. One way to do this would be to invest in the care economy, including early childhood development (ECD) programmes, which employ women as ECD practitioners and free up caregivers to work. Investing in ECD also means investing in the future chances of the next generation.

- Support healthcare and social services for the elderly. Policy responses to a growing older population have often emphasised the direct costs of ageing, overlooking the significant and growing contributions that older people make to social and economic thriving. As critical sources of childcare support, South Africa's older people unlock the potential of younger generations, supporting working-age children to participate in the labour market, and providing the nurturing and nourishment essential to children's development.

- Invest in universal health coverage to limit acute health shocks that perpetuate the cycle of poverty. Because poor health is an impediment to intergenerational mobility, it holds significant implications for the ability to alleviate poverty and inequality. Ill-health is often a poverty trap, placing significant financial burdens on households.

Primarily, we are failing the youth, the majority of whom have the odds stacked against them well before they reach school. These inequalities compound as they make their way through the schooling system, and finally into the labour market. We need to be able to support, prepare and boost young people at key moments over their life-course, so that they approach adulthood ready to contribute to social, economic and civic life. And in doing so, escape long-held patterns of social exclusion and deprivation.

This article is an extract from the research into "Inequality and Demography" undertaken by Percept Consultants on behalf of the Inclusive Society Institute. Tuyeni Peter is ------. Beth Vale is------. Daryl Swanepoel is CEO of the Inclusive Society Institute.