

NATIONAL TRANSFER ACCOUNTS AND INEQUALITY

RACE AND THE ECONOMIC LIFECYCLE IN SOUTH AFRICA IN 2015

Morné Oosthuizen

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Development Policy Research Unit, University of Cape Town

Race in South Africa

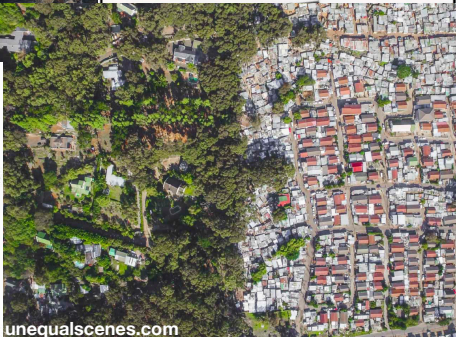
The Economic Lifecycle in South Africa

South Africa's Demographic Dividend

Conclusion and Way Forward

RACE IN SOUTH AFRICA

RACIAL INEQUALITY IN SOUTH AFRICA



RACE CATEGORIES IN SOUTH AFRICA

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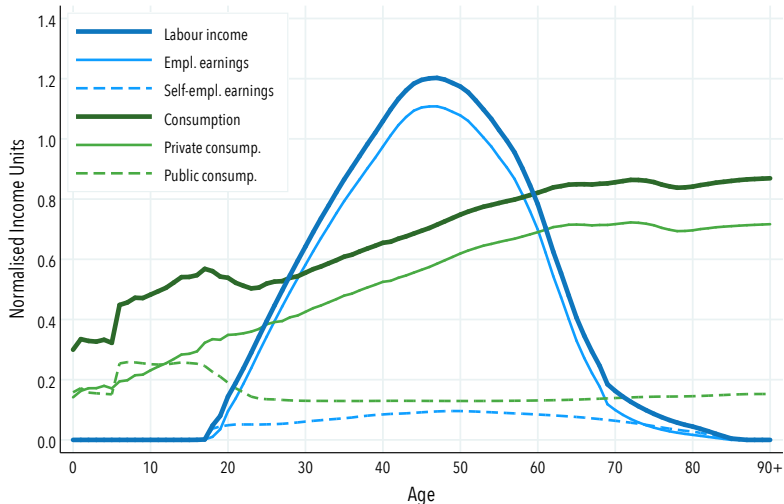
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- “Asian” (mainly individuals of Indian descent, brought as indentured labourers by the British)
- “White” (individuals tracing their ancestry primarily to the country’s European settlers)

EXTENT OF RACIAL INEQUALITIES

Indicator	African	Coloured	Asian	White
Unemployment rate (%)	41.0	27.5	18.2	9.8
Employment-to-population ratio	40.4	50.4	53.0	63.2
Adults (20+) with a degree (%)	2.3	2.4	9.1	16.5
Median HH Net worth (R '000)	28.5	40.5	285.8	650.9
Poverty rate (upper bound, %)	46.6	32.3	4.6	0.8
Access to medical aid (%)	10.6	20.3	48.7	76.9
Stunting (under 15 yrs, %)	17.9	20.1	10.6	7.4
Population share (%)	80.8	8.8	2.5	8.0

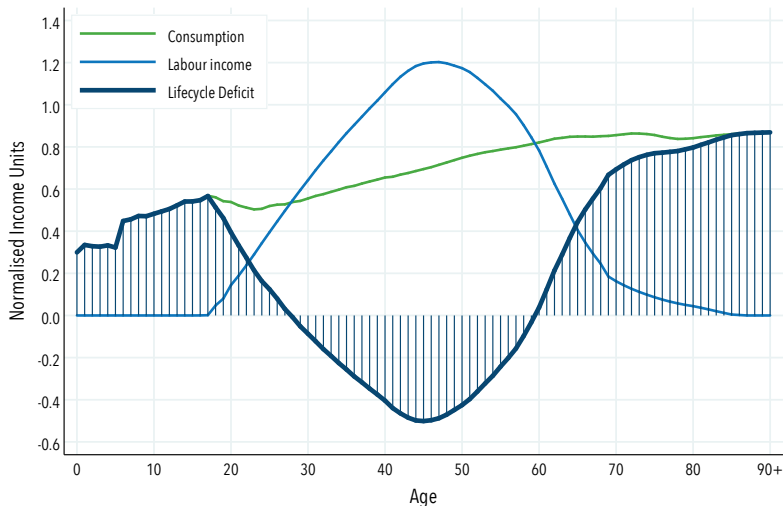
THE ECONOMIC LIFECYCLE IN SOUTH AFRICA

LABOUR INCOME AND CONSUMPTION ACROSS THE LIFECYCLE



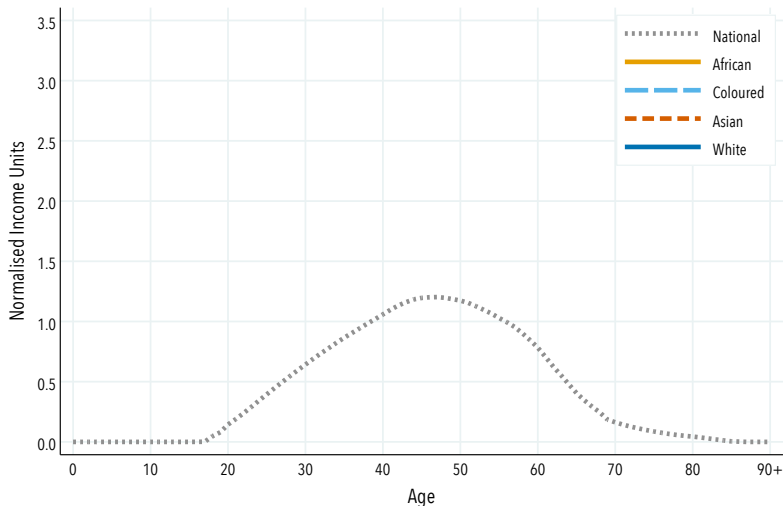
Note: Profiles are normalised by dividing by the overall mean labour income for 30-49 year olds.

NATIONAL-LEVEL LIFECYCLE DEFICIT



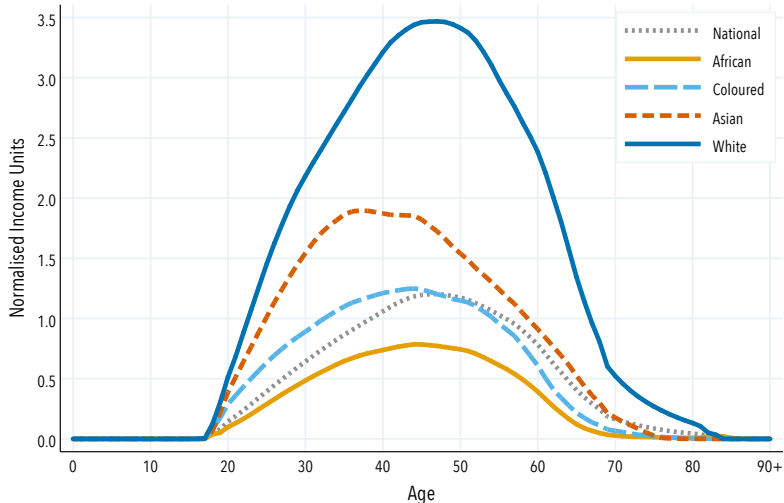
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RACE-BASED DIFFERENCES IN LABOUR INCOME



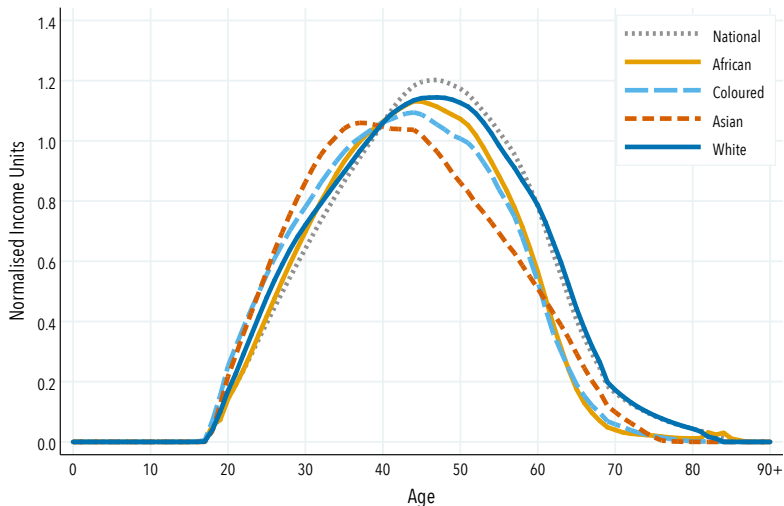
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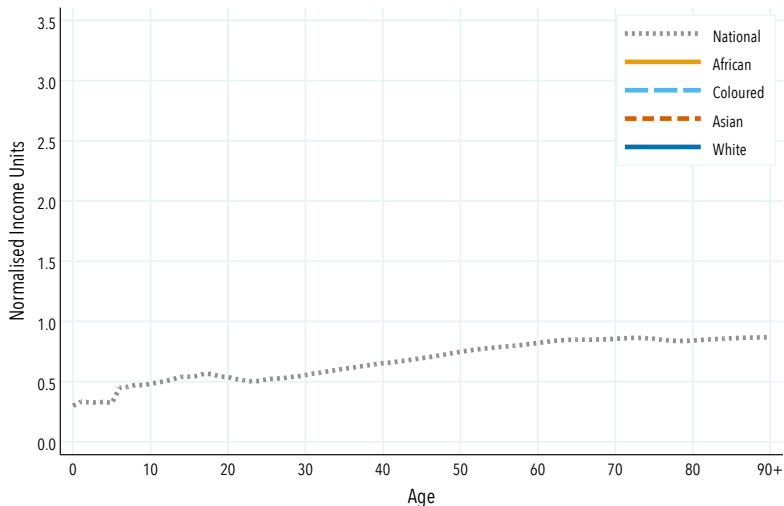
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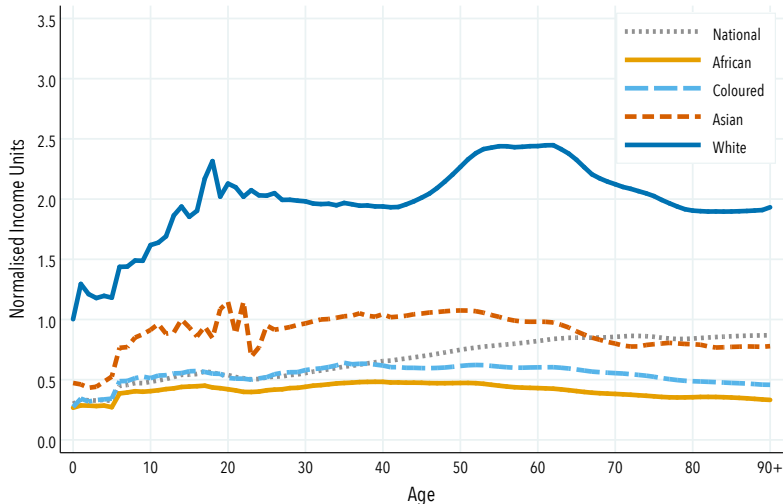
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RACE-BASED DIFFERENCES IN CONSUMPTION



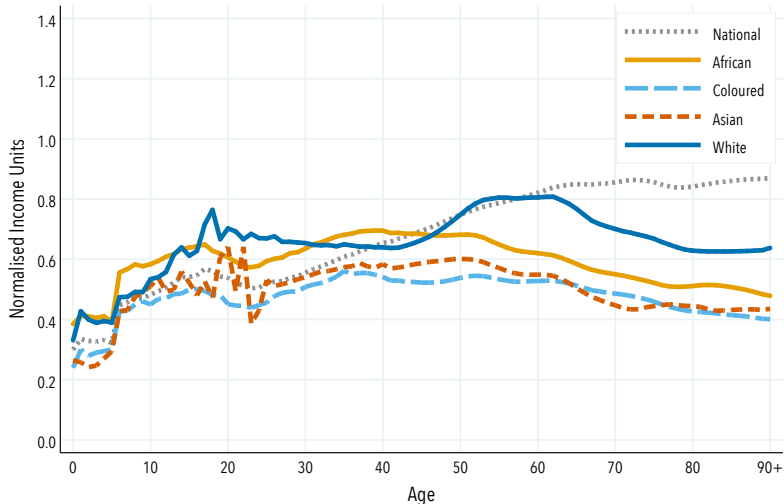
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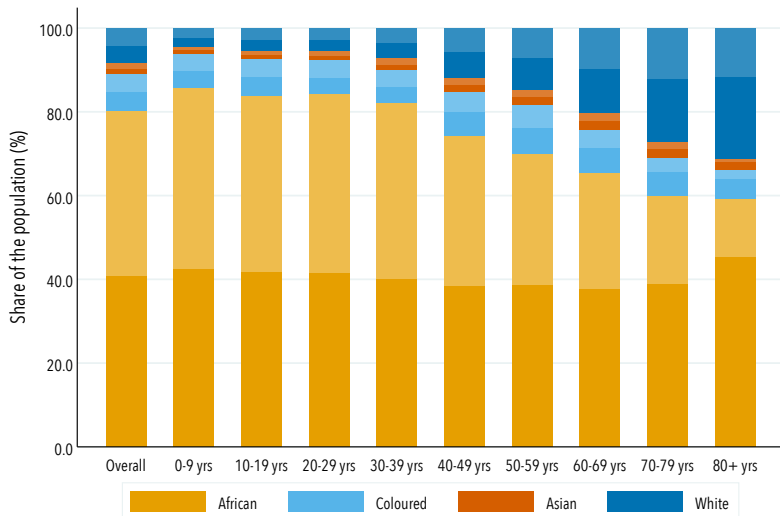
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SOUTH AFRICA'S POPULATION STRUCTURE



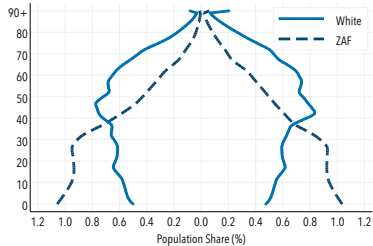
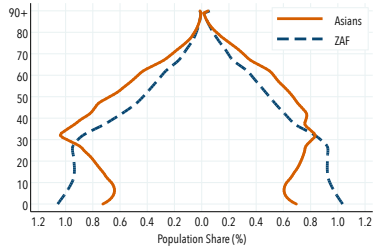
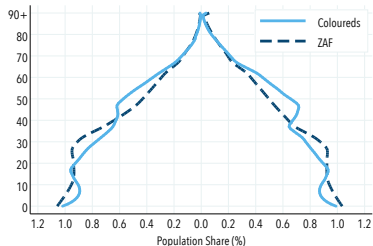
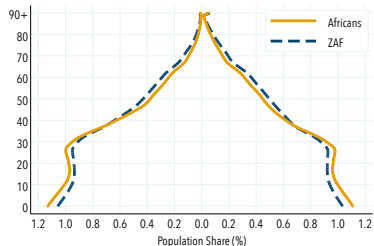
Note: Darker shades represent females, lighter shades males.

RACE-SPECIFIC SHARES OF NTA AGGREGATE FLOWS, 2015

		Pop	YL	YLE	YLS	C	CF	CG
Overall	Afr	80.2	51.7	52.0	49.1	58.1	47.9	82.5
	Col/Asi	11.4	16.2	16.5	13.4	12.5	13.3	10.5
	Whi	8.4	32.1	31.5	37.5	29.4	38.8	7.0
0-19	Afr	84.9	58.3	40.9	68.3	70.6	56.0	85.9
	Col/Asi	10.2	22.8	36.2	15.1	11.9	14.1	9.6
	Whi	4.9	18.9	22.9	16.6	17.6	29.9	4.5
20-39	Afr	83.3	61.1	61.0	61.6	65.3	59.1	83.9
	Col/Asi	10.5	17.1	17.5	14.1	12.5	13.4	9.9
	Whi	6.2	21.8	21.5	24.3	22.2	27.5	6.3
40-59	Afr	72.5	46.4	46.9	40.9	46.6	40.5	74.7
	Col/Asi	14.5	16.0	16.2	13.7	14.2	14.2	14.0
	Whi	13.0	37.6	36.9	45.4	39.3	45.3	11.3
60-79	Afr	63.6	24.7	25.6	20.7	30.0	22.7	68.4
	Col/Asi	13.9	11.0	11.5	9.1	10.8	10.4	13.3
	Whi	22.5	64.2	62.9	70.1	59.1	67.0	18.3
80+	Afr	59.2	28.9	39.7	23.1	24.3	15.4	66.5
	Col/Asi	9.7	0.3	1.0	0.0	6.4	5.9	8.6
	Whi	31.1	70.8	59.3	76.9	69.3	78.6	25.0

SOUTH AFRICA'S DEMOGRAPHIC DIVIDEND

RACE-SPECIFIC AGE STRUCTURES DIFFER SIGNIFICANTLY



Three questions:

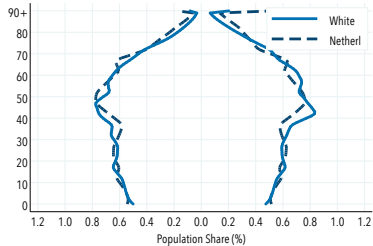
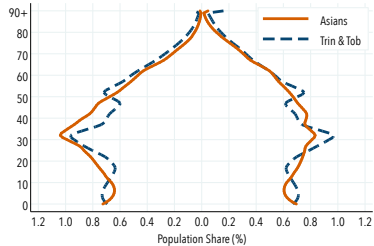
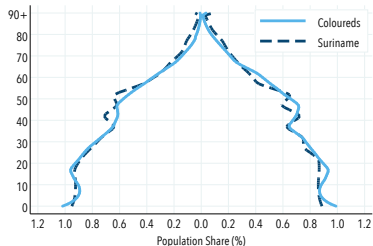
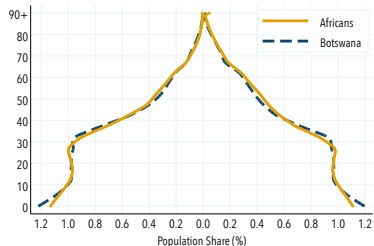
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2. To what extent do the differences in population age structures result in differing dividend estimates by race?
3. How might these dividend estimates differ by race taking both sets of differences into account?

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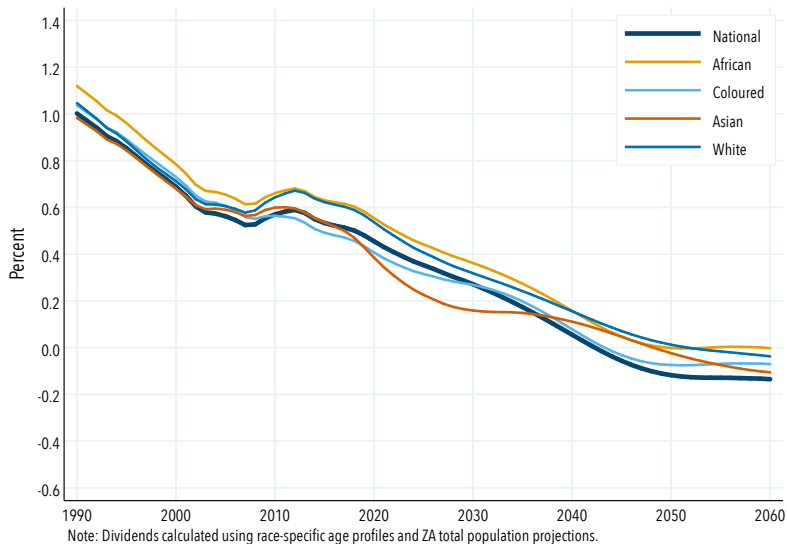
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But, we do not have official publicly available population projections by race in South Africa

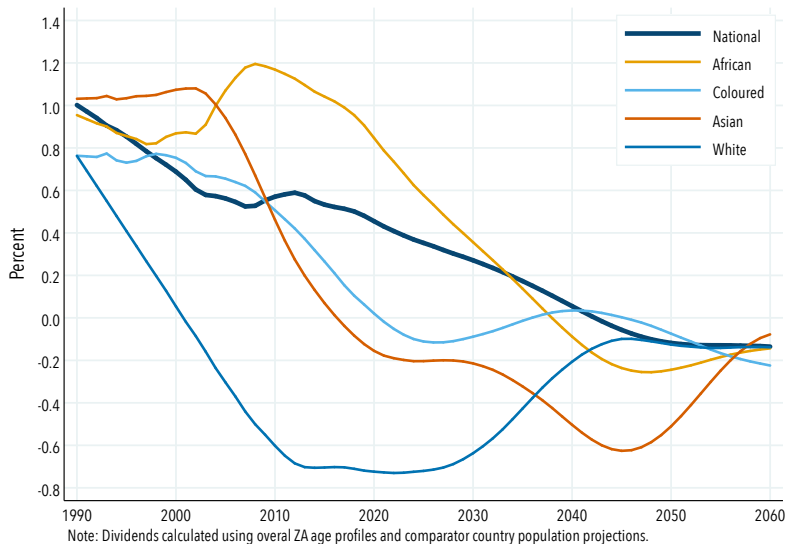
RACE-SPECIFIC AGE STRUCTURES IN AN INTERNATIONAL CONTEXT



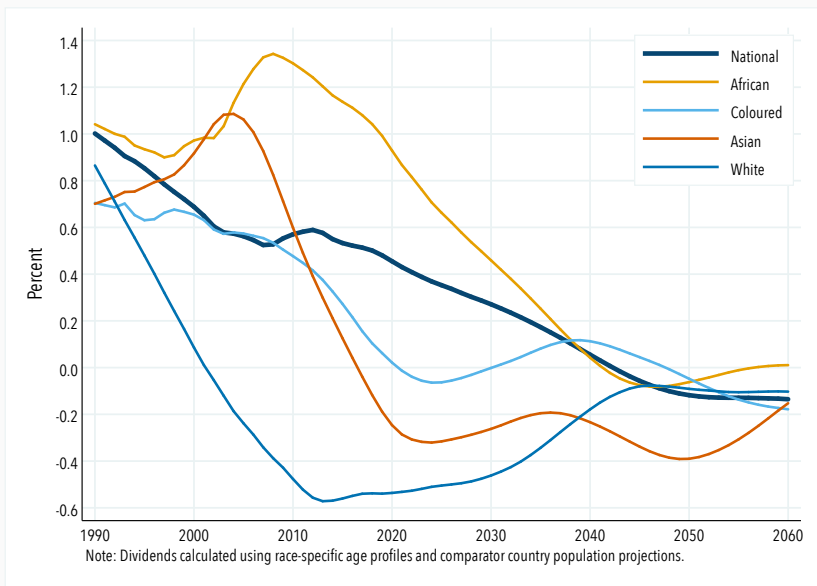
I. IMPACT OF RACE-DISAGGREGATED PROFILES ONLY



II. IMPACT OF DEMOGRAPHY ONLY



III. IMPACT OF DEMOGRAPHY AND RACE-DISAGGREGATED PROFILES



CONCLUSION AND WAY FORWARD

CONCLUSION

- South Africa's history of race-based discrimination continues to impact its society, and the generational economy
- Significant differences in the age-profiles of labour income and consumption by race, in terms of level and shape
- Between- race-group inequality has a significant effect on the shapes of the overall profiles
- Understanding these inequalities **is** important for understanding the evolution of South Africa's demographic dividend

- Incorporation of differentiation in public consumption (e.g., subsidies to schools vary according to socioeconomic status of the neighbourhood)
- Decomposition of the overall DD into race-specific components
- Completion of estimates of transfers and asset-based reallocations
- Find race-specific population projections to better understand demographic dividend