South africa

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| Category | 2016 | 2017 | 2018 | 2019 | 2020 | Reference |
| Population, total | 56422274 | 56641209 | 57339635 | 58087055 | 58801927 | 1 |
| Population Growth Rate (annual %) | 0.97 | 0.39 | 1.23 | 1.30 | 1.22 | 1 |
| GNI per capita, PPP (current international $) | 13350 | 13560 | 13920 | 14080 | 13290 | 1 |
| GDP growth (annual %) | 0.66 | 1.16 | 1.52 | 0.30 | -6.34 | 1 |
| [Mortality rate, infant (per 1,000 live births)](https://data.worldbank.org/indicator/SP.DYN.IMRT.IN) | 31 | 30 | 30 | 29 | 29 | 5 |
| Literacy rate, adult total (% of people ages 15 and above) | 94 (2012） | 94 (2014) | 94 (2015) | 87 (2017) | 95 (2019) | 6 |
| Literacy rate, youth total (% of people ages 15-24) | 99 (2012) | 99 (2014) | 99 (2015) | 95 (2017) | 98 (2019) | 7 |
| Life expectancy at birth, total (years) | 64.75 | 65.40 | 65.67 | 66.18 | 65.25 | 1 |
| Gini index (5 most recent data) | 57.8 (2000) | 64.8 (2005) | 63 (2008) | 63.4 (2010) | 63 (2014) | 2 |
| Human Development Index | 0.63 (2000) | 0.65(2005) | 0.66(2010) | 0.70(2015) | 0.71(2018) | 3 |
| Unemployment Rate | 24.02 | 23.99 | 24.22 | 25.54 | 24.34 | 1 |
| % Population Below Poverty Line | 38 (2000) | 66.6 (2005) | 62.1 (2008) | 53.2 (2010) | 55.5 (2014) | 4 |
| Exports as a Share of GDP | 28.16 | 27.34 | 27.56 | 27.30 | 27.60 | 1 |
| Agriculture as a Share of GDP | 2.41 | 2.49 | 2.27 | 1.96 | 2.52 | 1 |
| 1 | [https://databank.worldbank.org/source/world-development-indicators#](https://databank.worldbank.org/source/world-development-indicators) | | | | | |
| 2 | https://data.worldbank.org/indicator/SI.POV.GINI?end=2014&locations=ZA&start=1993 | | | | | |
| 3 | https://en.wikipedia.org/wiki/List\_of\_South\_African\_provinces\_by\_Human\_Development\_Index | | | | | |
| 4 | https://data.worldbank.org/indicator/SI.POV.NAHC?locations=ZA | | | | |  |
| 5 | https://data.worldbank.org/indicator/SP.DYN.IMRT.IN | | | |  |  |
| 6 | https://data.worldbank.org/indicator/SE.ADT.LITR.ZS?locations=ZA | | | | |  |
| 7 | https://data.worldbank.org/indicator/SE.ADT.1524.LT.ZS?locations=ZA | | | | |  |

1. Data Table
2. Problems:
3. High Gini Index: unequal distribution. Compared with other developing countries (e.g., China, Egypt, Brazil, etc..), South Africa has a relatively high Gini Index[[1]](#footnote-1), which indicates a large proportion of income in South Africa is held by a small number of people. This uneven distribution would do great harm to the economy in South Africa: high-income inequality would first lead to social instability and political unrest. Then, it might trigger riots and protests. As a result, economic activities such as business operations, trade, or transportation would be affected, causing domestic capital outflow and decrease foreign investment. Moreover, due to inequality in the economy, rating credit for South Africa is lower than in other developing countries[[2]](#footnote-2), and borrowing money from other countries for investment is harder for the South Africa government.
4. High unemployment rate & Large poverty population. Similar to the high Gini Index, a high unemployment rate also brings social instability, but leaving a large number of people jobless would be even worse since a high unemployment rate would cause a large poverty population, which would reduce consumer spending and damage the domestic market. Also, a large poverty population would make tax income less, and as a result, the government might not be able to have enough funds for infrastructure or fixing the market via providing welfare and finally falls into a cycle of poverty. In some extreme cases, being in poverty for a long period might trigger crime since desperate poor people would turn to illegal activities to make money. On the other hand, due to some historical reasons, there are significant challenges that need to be addressed in South Africa. A large population of poor people in need of basic necessities would place a heavy burden on these infrastructures, slowing economic development.
5. Low life expectancy & High Infant Mortality rate. As a result of unequal distribution and a high poverty rate, the life expectancy and infant mortality rate in South Africa are also not optimistic. Despite the fact that modern medicine and technology have been advancing each year[[3]](#footnote-3), the infant mortality rate which was 50 in 2005, falls to 27 in 2020. However, 27 deaths per 1,000 live birth is still an unacceptable number. Developing countries such as Brazil, for example, has 13 deaths per 1,000 live births in 2019, while China has only 6 deaths per 1,000 live births[[4]](#footnote-4). The high infant mortality rate reflects poor public health investment. As a result of the terrible public health system, life expectancy in South Africa is relatively low. In the short run, these problems may not affect the economy in South Africa greatly, however, in a long run, things are different: low public health and medical levels contribute to the epidemic of disease[[5]](#footnote-5), and the disease decreases the population of working labor. Poor people are unable to reach appropriate health care, which makes the situation worse.
6. Solutions:
7. Apply a more progressive income progressive taxation, lower or no tax for poor individuals, and higher tax for high-income people[[6]](#footnote-6). Increase the tax ratio for the amount above R701 300 and lower the rate for people's income lower than R393 200. After the redistribution, on one hand, the government may be able to generate more revenue, and this revenue could be put into infrastructure, like bettering the transportation system or building more hospitals to improve the local health system. On the other hand, a more progressive taxation policy could help the government reduce inequality. After reducing income inequality, social stability improved. Also, reducing poverty could stimulate consumer spending, then the domestic economy grows. Moreover, applying a more progressive taxation policy could allow middle and low income people having more distributable property.
8. The government could offer more working positions, for example, having more infrastructure investment projects. Since the current domestic labor market could not provide sufficient working opportunities, it is a good opportunity for the government could make up this gap. Government infrastructure projects are attractive for those jobless people since these programs usually have low requirements and a stable income. Besides solving problems of unemployment, these governmental working positions could be providing extra economic stability, especially in the case that employment in South Africa is unstable, these reliable job positions are more precious than just a simple labor force position. Investment in infrastructure could lower the unemployment rate. As a result, social stability increase, and the spending on which could be saved. Since the number of jobless people decreased, expenditure on unemployment relief could also be saved[[7]](#footnote-7)[[8]](#footnote-8), so funds could be put into other fields. Investing in infrastructure such as railway transportation could increase local and foreign investment. Also, improving transportation could introduce new technology and increase productivity. Another great benefit of offering more governmental working position is that since the number of unemployed and the number of poverty decreased, GDP increased.
9. After solving the problem of unemployment, South Africa government could try setting social welfare system for absolutely poverty people and setup a national medical insurance system. South Africa has a close GDP scale with Egypt[[9]](#footnote-9), but a much higher poverty ratio[[10]](#footnote-10). Supporting low-income people would bring considerable overall economic benefits. Most importantly, it could stop the miserable poverty cycle for many families. Setting up medical supporting system could reduce the possibility of families getting poverty due to severe sickness, giving them a chance to get through. Besides reducing poverty, a basic social welfare system could boost spending and stimulate economic growth since people could spend less on medicine and have more disposable income. Furthermore, financial support system could enhance social stability since the number of people struggling for living is reduced. As a result, local and foreign investment could revive. A strong national medical insurance system could save costs in the healthcare system in a long run since it could effectively reduce uncompensated care and reduce the average medical cost by economies of scale[[11]](#footnote-11). Another benefit of holding a national health insurance plan is increasing workforce productivity, providing cheap and high-quality working labor.

1. Ex-99.C. Accessed March 28, 2023. https://www.sec.gov/Archives/edgar/data/932419/000119312516477146/d148990dex99c.htm.

   “Gini Index - South Africa, China, Brazil, Egypt, Arab Rep.” Data. Accessed March 28, 2023. https://data.worldbank.org/indicator/SI.POV.GINI?locations=ZA-CN-BR-EG. [↑](#footnote-ref-1)
2. “South Africa, Government of: Reports: Moody's.” South Africa, Government of | Reports | Moody's. Accessed March 28, 2023. https://www.moodys.com/credit-ratings/south-africa-government-of-credit-rating-686830. [↑](#footnote-ref-2)
3. “National Health Insurance - Let's Grow South Africa Together.” Accessed March 29, 2023. https://www.gov.za/sites/default/files/nationalhealthinsurance.pdf. [↑](#footnote-ref-3)
4. “Mortality Rate, Infant (per 1,000 Live Births) - United States | Data.” Accessed March 28, 2023. https://data.worldbank.org/indicator/SP.DYN.IMRT.IN?locations=US. [↑](#footnote-ref-4)
5. “South Africa: Summary.” Columbia University's Mailman School of Public Health, January 31, 2023. https://www.publichealth.columbia.edu/research/others/comparative-health-policy-library/south-africa-

   summary. [↑](#footnote-ref-5)
6. Ex-99.C. Accessed March 28, 2023. https://www.sec.gov/Archives/edgar/data/932419/000119312516477146/d148990dex99c.htm. [↑](#footnote-ref-6)
7. “June 2022 Household Affordability Index and Key Data: Heinrich Böll Stiftung: Cape Town. South Africa: Namibia: Zimbabwe.” Heinrich-Böll-Stiftung. Accessed March 29, 2023. https://za.boell.org/en/2022/06/30/june-2022-household-affordability-index-and-key-data. [↑](#footnote-ref-7)
8. “Unemployment Insurance Fund.” Unemployment Insurance Fund. Accessed March 29, 2023. https://ufiling.labour.gov.za/. [↑](#footnote-ref-8)
9. “GDP (Current US$).” Data. Accessed March 28, 2023. https://data.worldbank.org/indicator/NY.GDP.MKTP.CD. [↑](#footnote-ref-9)
10. “Poverty Headcount Ratio at $2.15 a Day (2017 PPP) (% of Population).” Data. Accessed March 28, 2023. https://data.worldbank.org/indicator/SI.POV.DDAY. [↑](#footnote-ref-10)
11. “Achieving Health Equity: Closing the Gaps in Health ... - Health Affairs.” Accessed March 30, 2023. https://www.healthaffairs.org/doi/10.1377/hlthaff.2016.0158. [↑](#footnote-ref-11)