Inequalities in Emerging Economies: What Role for Social Policies?

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Summary of South African Study

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www.oecd.org/els/social/inequality/emergingeconomies

South Africa 1993-2008
(Empirical Snapshot)

<table>
<thead>
<tr>
<th>Economic Growth</th>
<th>Inequality</th>
<th>Headcount Poverty</th>
<th>Participation Rate</th>
<th>Unemp Rate</th>
<th>Wage Inequality</th>
<th>Social Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>Gini</td>
<td>$2/day line</td>
<td>%</td>
<td>%</td>
<td>% D9/D1</td>
<td>% HHs no employed with grants</td>
</tr>
<tr>
<td>1993</td>
<td>1.2</td>
<td>0.67</td>
<td>0.34</td>
<td>49.1</td>
<td>13.6</td>
<td>19.67</td>
</tr>
<tr>
<td>2008</td>
<td>3.7</td>
<td>0.7</td>
<td>0.3</td>
<td>55.2</td>
<td>23.4</td>
<td>38.68</td>
</tr>
</tbody>
</table>
South Africa 1993-2008 (Policy Snapshot)

• A number of labour market policies have been implemented
  – Labour Regulations\Unemployment Insurance\Public works
    • Not successful at current scale
  – Wage Subsidies (Being thought about)
• A number of social assistance grants have been implemented
  – State Old Age Pension\Child Support Grant are the biggest
    • Successful at current scale but is pressure to do even more