



Overcoming
poverty is not a
gesture of charity.
it is an act of
JUSTICE

South Africa

Commitment To Equity



**WHY DOES IT MATTER FOR SOUTH
AFRICA?**

Forbes Africa's 50 Richest

AGGREGATE
WEALTH

\$111 BILLION

Africa's 50 Richest »

#2 Johann Rupert & family



Net Worth

\$7.3 Billion

As of November 2014

[+ Follow](#) (54)

Age **64**

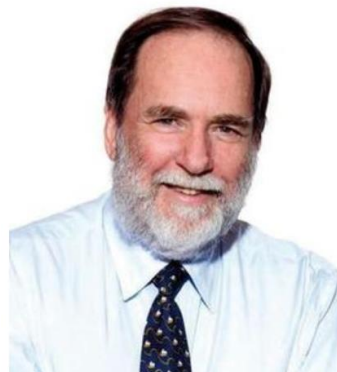
Source Of Wealth **luxury goods**

Residence **Cape Town, South Africa**

Citizenship **South Africa**

Africa's 50 Richest »

#3 Nicky Oppenheimer & family



Net Worth

\$6.8 Billion

As of November 2014

[+ Follow](#) (69)

Age **69**

Source Of Wealth **diamonds**

Residence **Johannesburg, South Africa**

Citizenship **South Africa**

Africa's 50 Richest »

#5 Christoffel Wiese



Net Worth

\$5.4 Billion

As of November 2014

[+ Follow](#) (32)

Age **73**

Source Of Wealth **retailing, Self Made**

Residence **Cape Town, South Africa**

Africa's 50 Richest »

#14 Patrice Motsepe



Net Worth

\$2.3 Billion

As of November 2014

[+ Follow](#) (123)

Age **53**

Source Of Wealth **mining, Self Made**

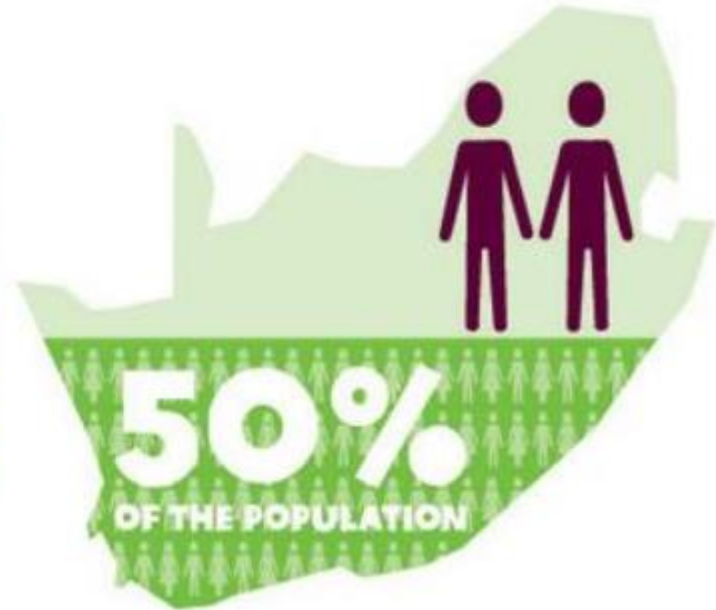
Residence **Johannesburg, South Africa**

Citizenship **South Africa**

South Africa's Two Richest People have Wealth Equal to the Poorest 26.5 million

**THE RICHEST
2 PEOPLE**

**IN SOUTH AFRICA HAVE THE
SAME WEALTH AS**





Alexandra Township, Backdrop The Richest District in Africa, Sandton

WHAT DID WE FIND?



Question 1: How do taxes & spending redistribute income?

FISCAL POLICY IS PROGRESSIVE

**TAXES COLLECTED MAINLY FROM THE RICH HELP FUND
SOCIAL PROGRAMS THAT BENEFIT THE POOR**

Tax System Is Slightly Progressive: Rich Pay Higher Share Than Poor In Income Tax

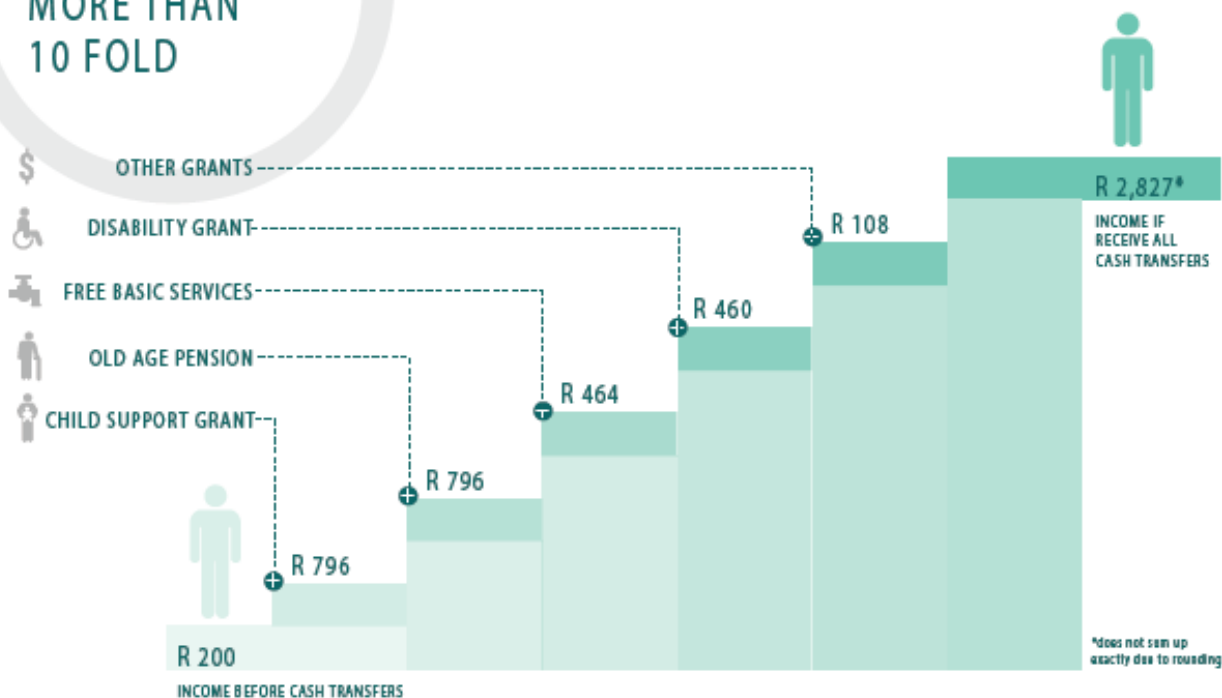
SHARE OF INCOME PAID IN PERSONAL INCOME TAX



Social Spending Benefits The Poor: Transfers Lift Income of Poor 10 Fold

CASH TRANSFERS AND FREE BASIC SERVICES

LIFT INCOME OF
POOREST DECILE
MORE THAN
10 FOLD

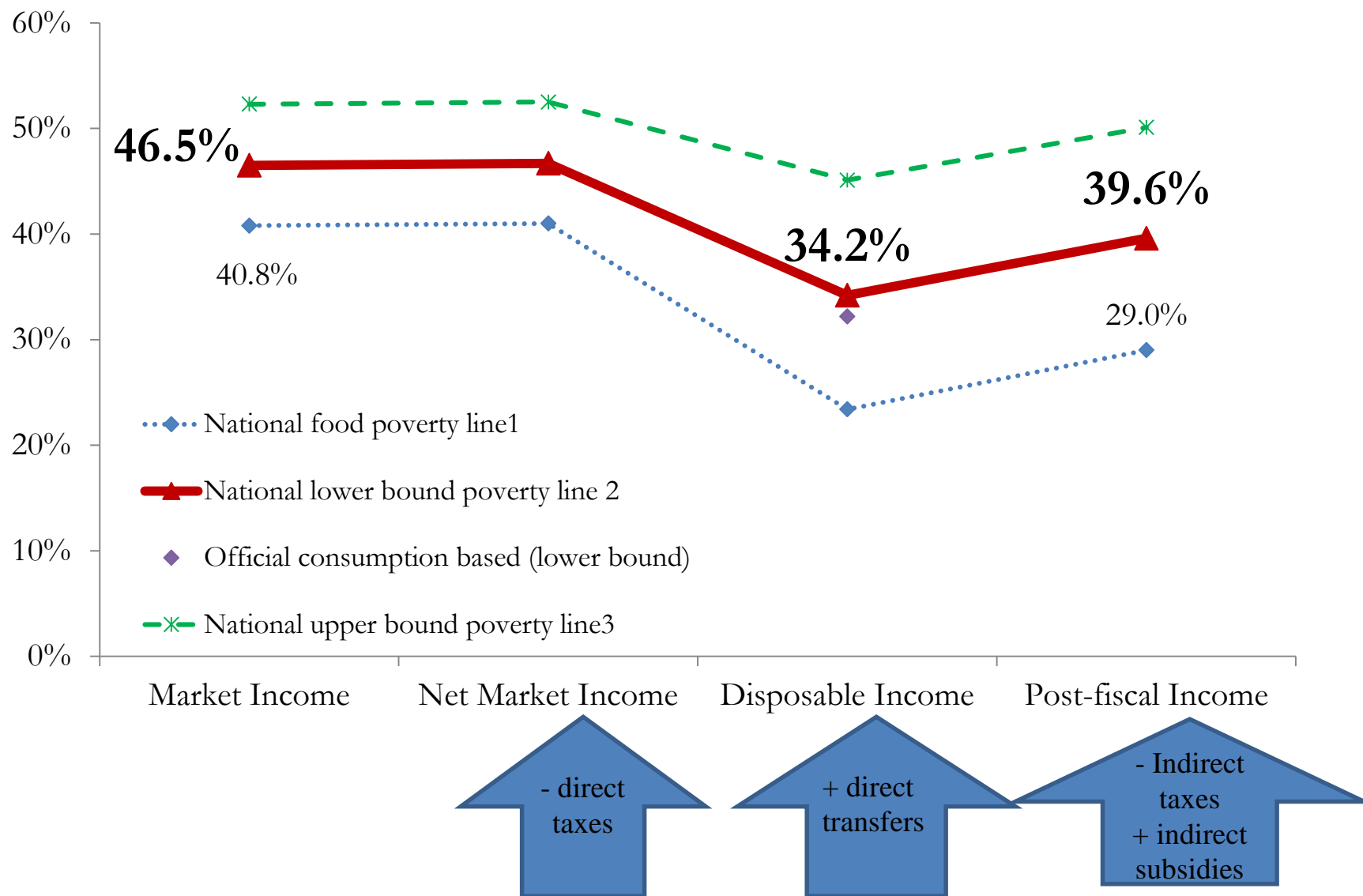




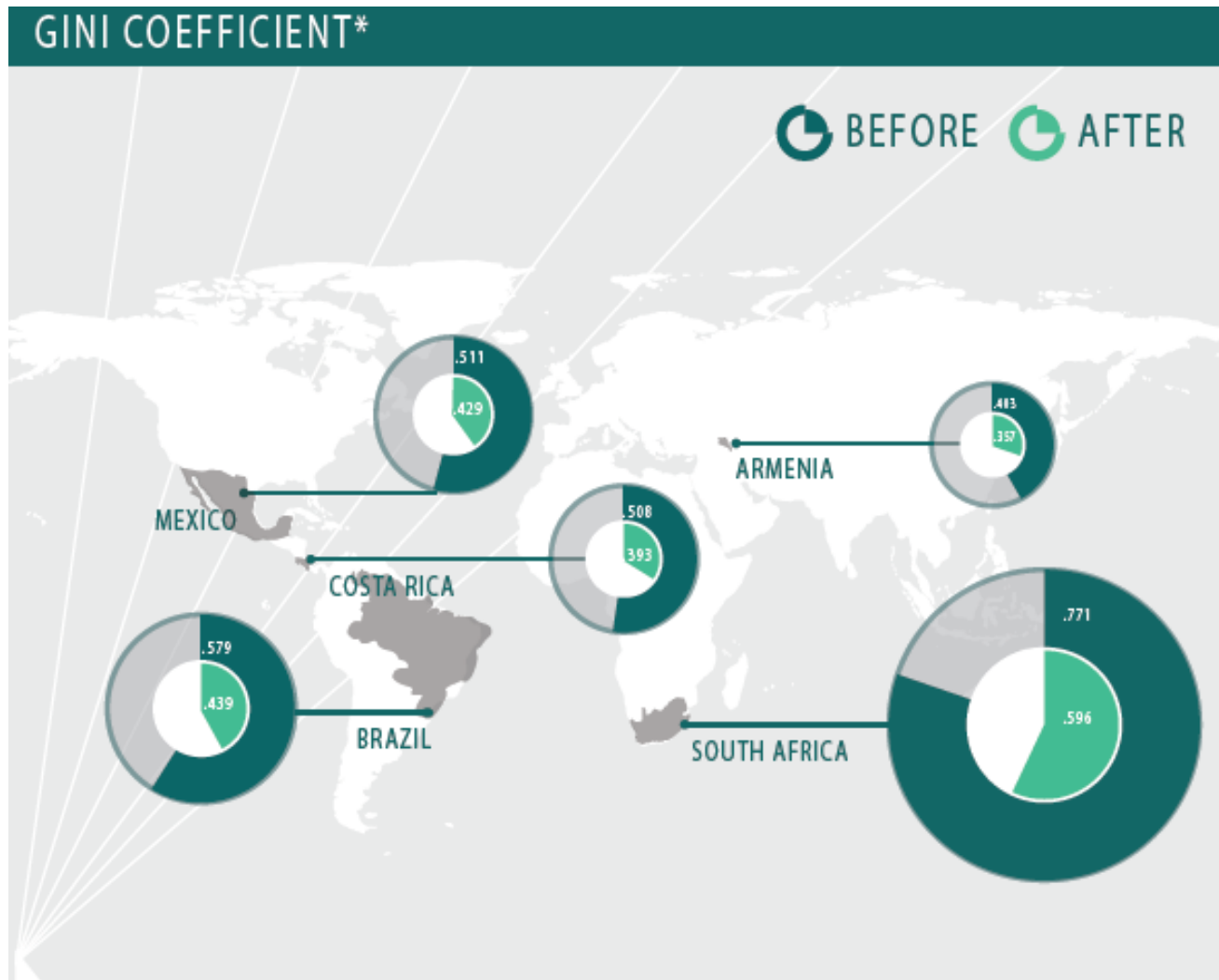
Question 2: What is the impact of taxes & spending on poverty and inequality?

**FISCAL POLICY IN SOUTH AFRICA ACHIEVES
THE LARGEST REDUCTIONS IN POVERTY &
INEQUALITY OF 12 COUNTRIES**

The Share of Population Living in Poverty Falls Mainly Due To Cash Transfers



The Reduction In Inequality Due To Fiscal Policy Is Larger Than In Other Countries





GETTING THE MESSAGE OUT

Traditional Channels



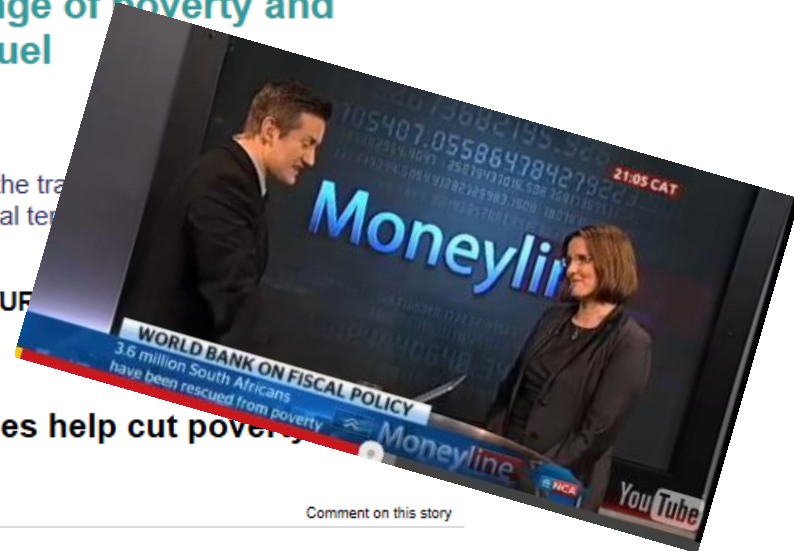
Confronting the challenge of poverty and inequality - Trevor Manuel

Trevor Manuel
11 November 2014

Former minister says SA must avoid the trap of weak, social mobility ceases and social te



HELEN SUZMAN MEMORIAL LECTURE
JOHANNESBURG, November 11 2014



World Bank: SA policies help cut poverty

November 4 2014 at 01:34pm
By SAPA

[Comment on this story](#)

Johannesburg - South Africa's fiscal policies lifted 3.6 million people out of poverty in 2010/11, a World Bank report has found.

The SA Economic Update, released on Tuesday, found that South Africa's fiscal policies are cutting the rates of poverty and inequality, and that tax and social benefits are effectively redistributing income from rich to poor.



LAST year, the South African economy... a special chapter on ex... policy makers, as it would them to be done to turn this competitiveness, which should have been required reading for policy makers, as it would them to be done to turn this... This year's report is again a required read, which tells good news about the extent to... national budget uses both tax and spending to do an effective job of redistributing ir... poor, reducing inequality by a substantial margin.



and that fiscal policy is very progressive in South... it benefits the poor more than the rich," World Bank economist Catriona Purfield told reporters in... a.

and that because of fiscal policy, large reduction... in poverty and inequality - in fact they are the... reductions due to fiscal policies in our sample... countries."

her 11 middle-income sample countries were Argentina, Guatemala, Indonesia, Mexico, Peru and Uruguay.



Social Media

Catriona Purfield retweeted

World Bank Africa @WorldBankAfrica · Nov 12

In 2010/11, food made up 36% of total consumption basket in of South Africa's poor: wrlld.bg/DEakf #SouthAfricaEU

10 6

Catriona Purfield retweeted

World Bank Africa @WorldBankAfrica · Nov 11

South Africa provides cash payments such as child & old age grants to the poorest people: wrlld.bg/DEakf #SouthAfricaEU

22 3

Catriona Purfield retweeted

RMB Global Markets @RMB_GM · Nov 5

The World Bank has highlighted that S. Africa has made meaningful steps in the redistribution of wealth relative to other growing economies

1 1

Catriona Purfield retweeted

World Bank @WorldBank · Nov 10

MT @WBPoverty: B'tn '06-'11, % of South Africans living in extreme poverty fell from 34.4% to 16.5 %: wrlld.bg/DZoUC #SouthAfricaEU

25 16

Catriona Purfield retweeted

CAfrica_wisani @CAfrica_wisani · Nov 4

@CAfricaNews @channelafrica1 World bank says South Africa lifted 3.6 million people out of poverty, as a result of its fiscal policy.



World Bank South Africa

November 7, 2014 · 🌐

South Africa's spending and tax system work to cut the poverty and inequality rate, but how does it compare to other countries, like Brazil? Find out in the latest economic update: <http://wrlld.bg/DEakf>



E-Book Innovation



Fiscal policy and redistribution in an unequal society: the case of South Africa

eBook Price: **Free**

FREE

TRY A FREE SAMPLE

South Africa Economic Update No.6, by Gabriela Inchauste, Nora Lustig, Maboshe Maskekwa, Catriona Purfield, and Ingrid Woolard

This study demonstrates that South Africa is doing a better job than other peer countries in using fiscal policy to reduce inequality and poverty. Yet because the problem was so great to begin with, levels of poverty and inequality in the country remain unacceptably high. Inclusive economic growth and better jobs will be required to overcome these challenges.

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Untitled

Fiscal policy and redistribution in an unequal society: the case of South Africa

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Whats Next?

- IF THERE IS CLIENT DEMAND EXPAND ANALYSIS
 - Newly available: PIT Tax Records
 - CIT
 - Looking at Services Provided By Municipalities
 - Policy Simulations
- NATIONAL TREASURY (REDI) FUNDED TRAINING
- ANNUAL FISCAL WORKSHOP WITH NATIONAL TREASURY?
- EXPANDING WORK TO NAMIBIA



February 18, 2015