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?
#2 Johann Rupert & family

Net Worth: $7.3 Billion

As of November 2014

Age: 64

Source Of Wealth: luxury goods

Residence: Cape Town, South Africa

Citizenship: South Africa

#3 Nicky Oppenheimer & family

Net Worth: $6.8 Billion

As of November 2014

Age: 69

Source Of Wealth: diamonds

Residence: Johannesburg, South Africa

Citizenship: South Africa

#5 Christoffel Wiese

Net Worth: $5.4 Billion

As of November 2014

Age: 73

Source Of Wealth: retailing, Self Made

Residence: Cape Town, South Africa

#14 Patrice Motsepe

Net Worth: $2.3 Billion

As of November 2014

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
Alexandra Township, Backdrop The Richest District in Africa, Sandton

WHAT DID WE FIND?
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
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**

- Other Grants: R 200
- Disability Grant: R 796
- Free Basic Services: R 796
- Old Age Pension: R 460
- Child Support Grant: R 460
- Total Income Before Cash Transfers: R 2,000

Total Income After All Cash Transfers: R 2,827

*Does not sum up exactly due to rounding.
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

- Market Income
- Net Market Income
- Disposable Income
- Post-fiscal Income

- National food poverty line
- National lower bound poverty line
- Official consumption based (lower bound)
- National upper bound poverty line

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies

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

- Direct taxes
- Direct transfers
- Indirect taxes
- Indirect subsidies
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 tension.

HELEN SUZMAN MEMORIAL LECTURE
JOHANNESBURG, November 11 2014

World Bank: SA policies help cut poverty
November 4 2014 at 01:34pm
By EAPA

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.

World Bank chief economist Cecilia Patticolo told reporters in Johannesburg that fiscal policy is very progressive in South Africa - it benefits the poor more than the rich.

"We found that because of fiscal policy, large reductions were made in poverty and inequality - in fact they are larger reductions due to fiscal policies in our sample countries.

"In other 11 middle-income sample countries were Argentina, Brazil, Guatemala, Indonesia, Mexico, Peru and Uruguay.

5.6% of the population living on $1.25 per day was cut in half through the use of fiscal policies.
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: wrld.bg/DEakf #SouthAfricaEU

- Catriona Purfield retweeted World Bank Africa @WorldBankAfrica · Nov 11
  South Africa provides cash payments such as child & old age grants to the poorest people: wrld.bg/DEakf #SouthAfricaEU

- 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

- Catriona Purfield retweeted World Bank @WorldBank · Nov 10
  MT @WBPoverty: B'tw '06-'11, % of South Africans living in extreme poverty fell from 34.4% to 16.5 %: wrld.bg/DZoUC #SouthAfricaEU

- 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://wrlbd.bg/DEakf

---

Home to the Khayelitsha Craft

---

World Bank South Africa
E-Book Innovation

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

South Africa Economic Update No.6, by Gabriela Inchauste, Nora Lustig, Maboshe Maskelwa, 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.

Table of Contents

<table>
<thead>
<tr>
<th>Untitled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal policy and redistribution in an unequal society: the case of South Africa</td>
</tr>
</tbody>
</table>

ACCESS TO E-PAPER & INTERACTIVE DATA @

HTTPS://WWW.INKLING.COM/STORE/BOOK/FISCAL-POLICY-REDISTRIBUTION-AN-UNEQUAL-SOCIETY/
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