

# AFRICAN CENTRE OF EXCELLENCE FOR INEQUALITY RESEARCH

## AN ASSESSMENT OF INEQUALITY ESTIMATES FOR THE CASE OF SOUTH AFRICA

Muna Shifa , Rejoice Mabhena, Vimal Ranchhod, and Murray Leibbrandt

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Presenter (Takwanisa Machedmedze)



# Outline

- Introduction
  - Objective
- Inequality in South Africa
  - What is the story?
- WIIDS's narrative
  - Overview of the dataset used
  - Inequality trends
- ACEIR's narrative



# Introduction and objectives

- Comparability of existing surveys still remain a challenge (Robilliard, 2020; Zizzamia et al., 2021)
- Objective
  - Explore in detail the methodological changes found in the various household surveys used for inequality analysis
    - We focus on surveys conducted since 1993
  - Using micro-datasets to examine income inequality trends in South Africa
  - Compare our inequality estimates with those reported in WIID Companion for South Africa

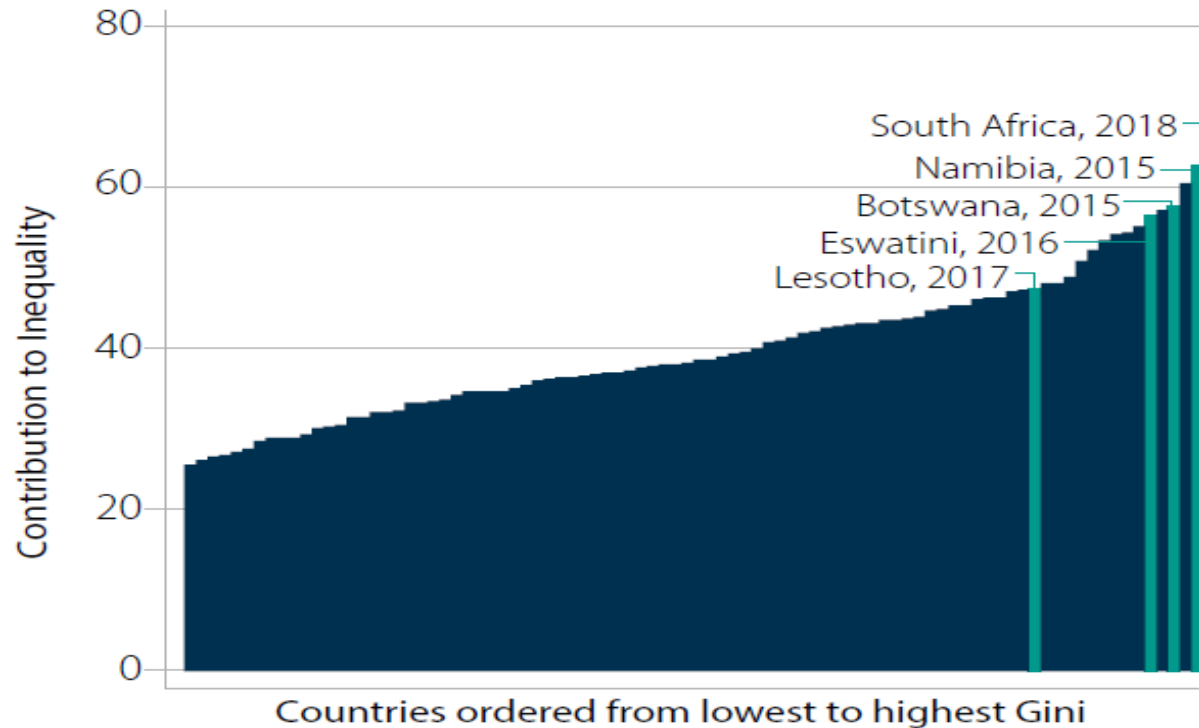


# What can we say about Inequality in South Africa?

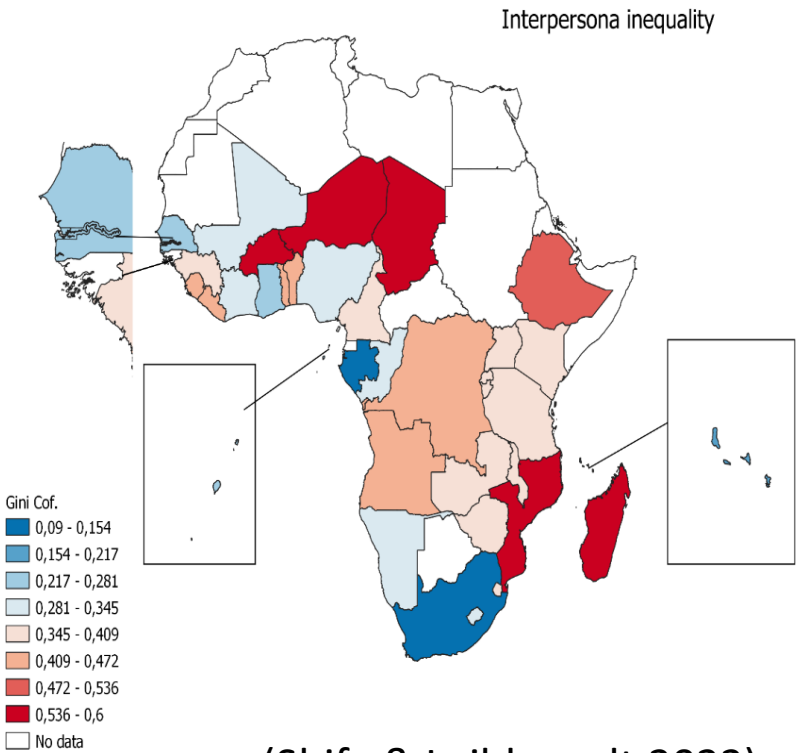
Consumption(or income) inequality

Basic services inequality

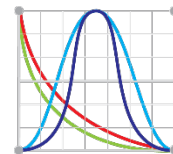
## a. Gini coefficients of countries



(World Bank,2022)



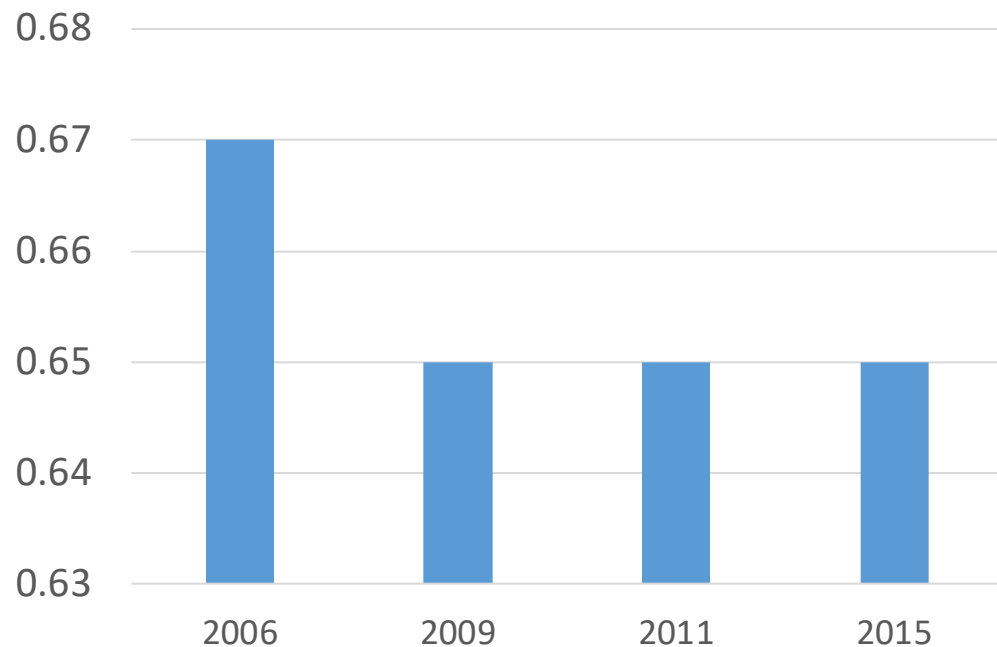
(Shifa & Leibbrandt,2022)



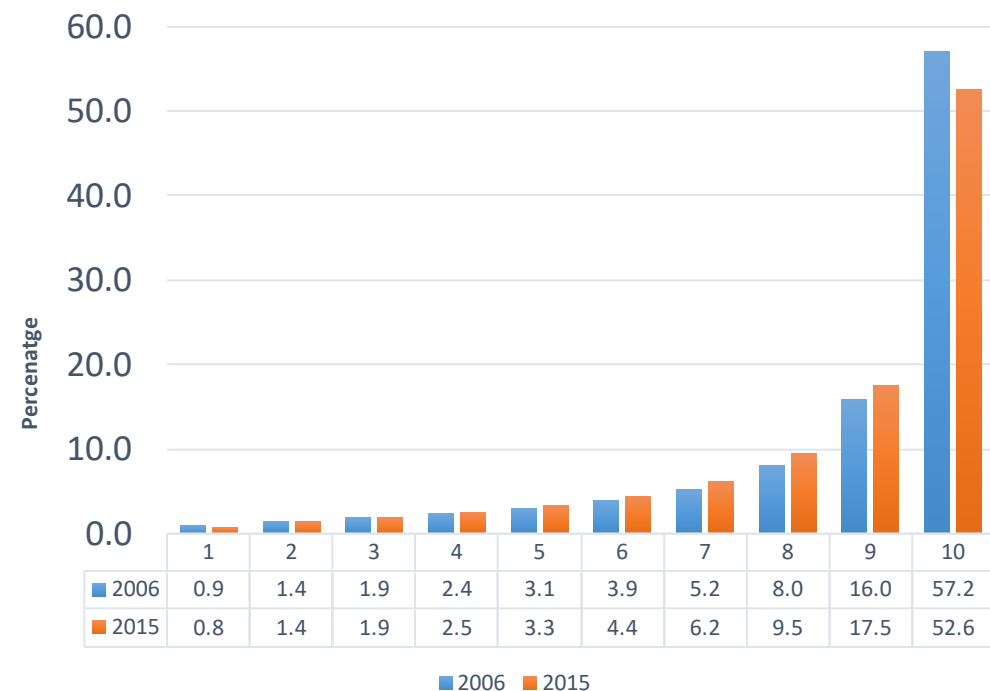
# Inequality Trends in South Africa: A multidimensional diagnostic of inequality

## Income inequality

Gini Coefficient (2006-2015)



The distribution of expenditure shares by decile (2006 & 2015)



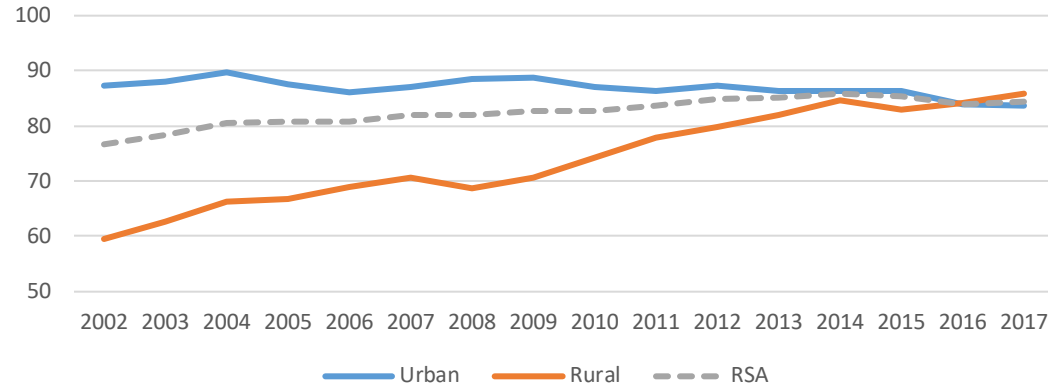
Source: ITR based on data from IES 2005/06, LCS 2008/09, IES 2010/11, and LCS 2014/15



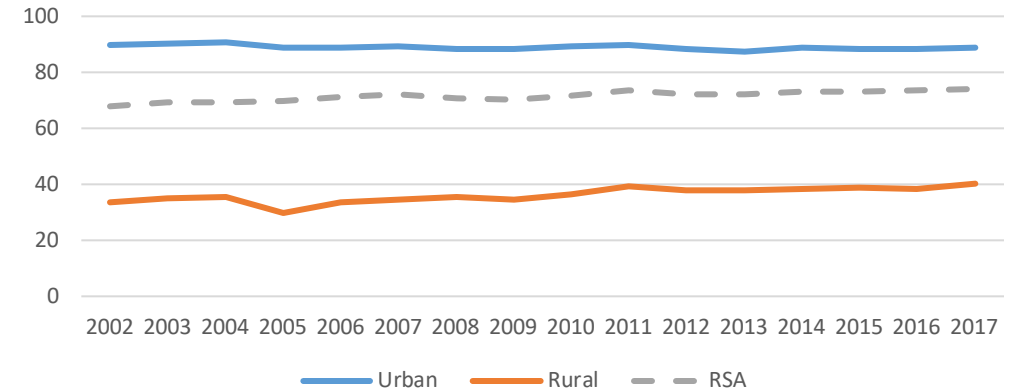
# Inequality Trends in South Africa: A multidimensional diagnostic of inequality

## Access to basic services

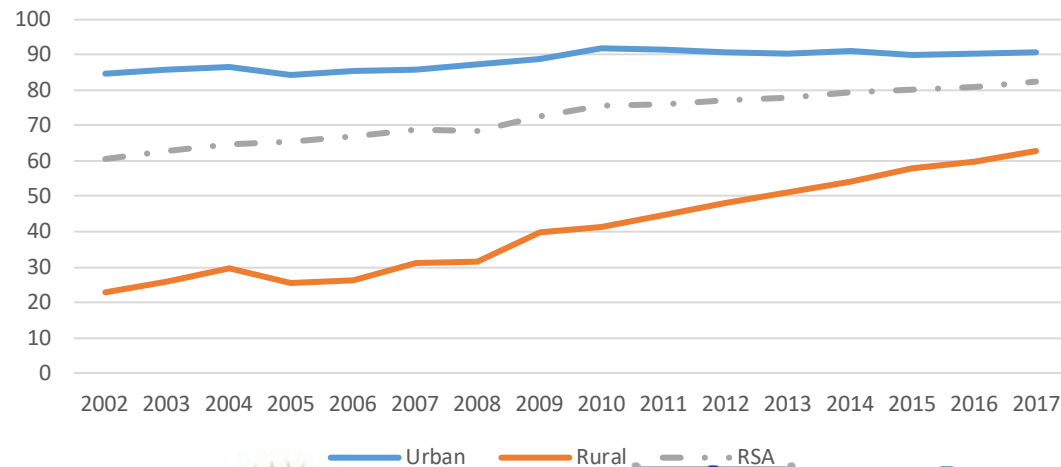
### Electricity



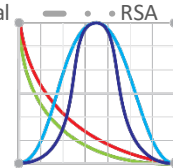
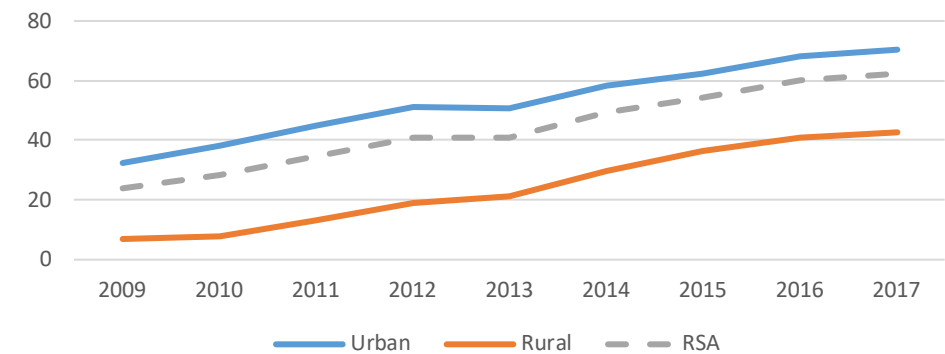
### Water



### Improved sanitation



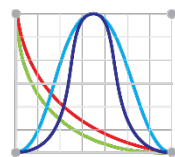
### Internet



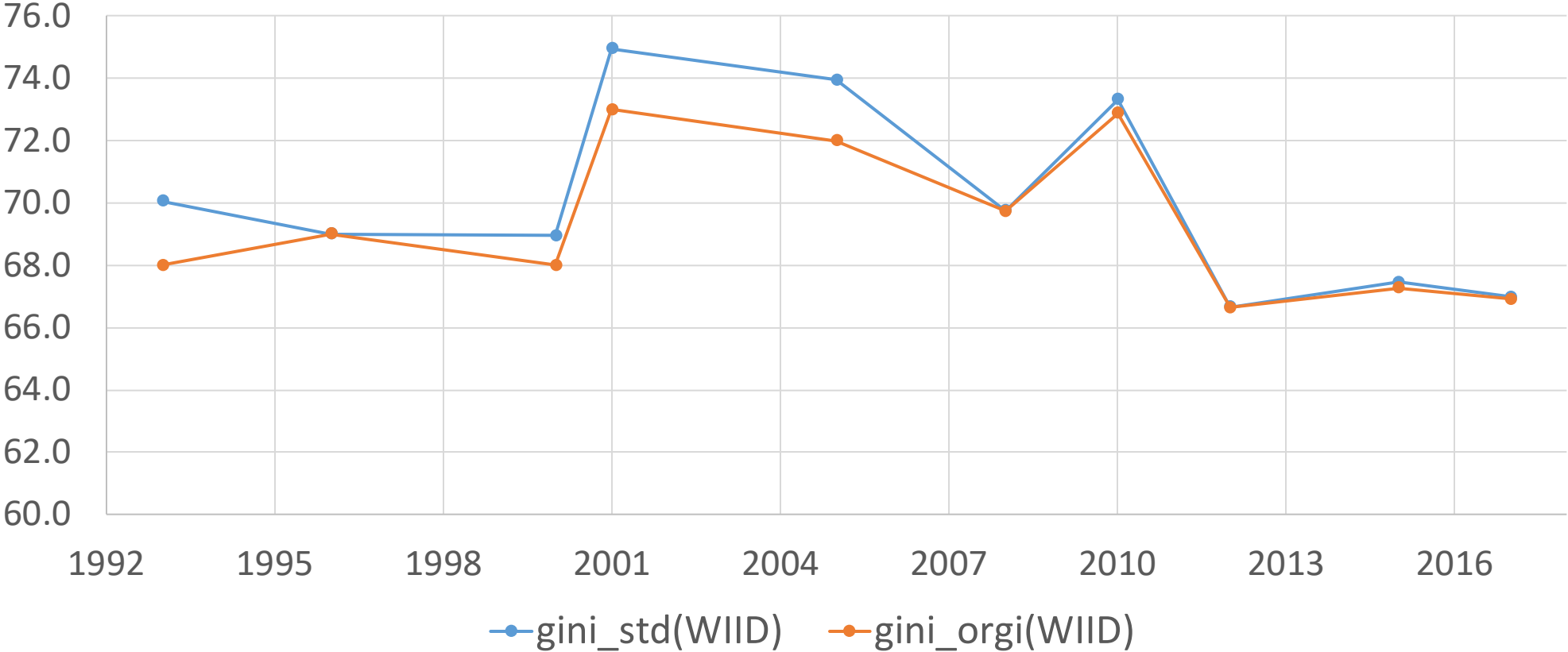


# WIIDS's narrative: data sources for South Africa

Year	Num. Of estimates	WIID Companion	Source on income inequality Gini	Survey
1993	2	yes (both)	Hundenborn et al. 2016	PSLSD
1995	1	No	Web 14 June 1999	IES
1996	2	yes (both)	Whiteford and Van Seventer 2000	Census 1996
1997	1	No	Deininger and Squire, World Bank 2004	OHS
2000	1	yes	Leibbrandt et al. 2010	IES
2001	2	yes (both)	Leibbrandt et al. 2009	Census 2001
2005	2	yes (both)	Leibbrandt et al. 2010	IES
2008	13	yes (1 obs)	Own construction based on LIS <sup>b</sup> Database through LISSY	NIDS
2009	1	yes	PovcalNet	not specified
2010	13	yes (1 obs)	Own construction based on LIS Database through LISSY	NIDS
2011	2	No	Commitment to Equity Project	IES
2012	12	yes (1 obs)	Own construction based on LIS Database through LISSY	NIDS
2015	16	yes (1 obs)	Own construction based on LIS Database through LISSY	NIDS
2017	12	yes (1 obs)	Own construction based on LIS Database through LISSY	NIDS



# Income Inequality trends: WIIDS's narrative

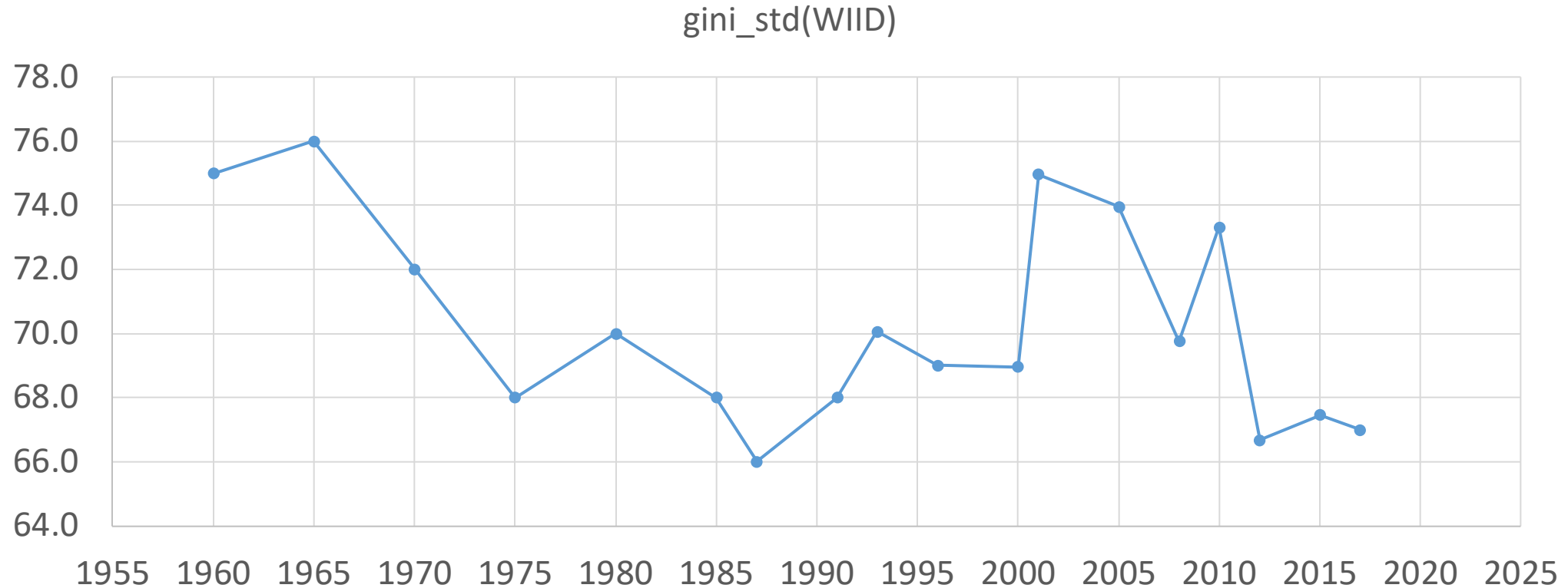


Data sources: 1993 PSLSD ,1996 census, 2000 IES, 2001 Census, 2005 IES, 2008-2017(NIDS)

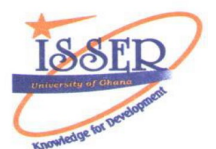
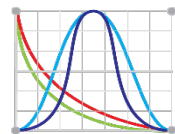




# Income Inequality trends: WIIDS's narrative

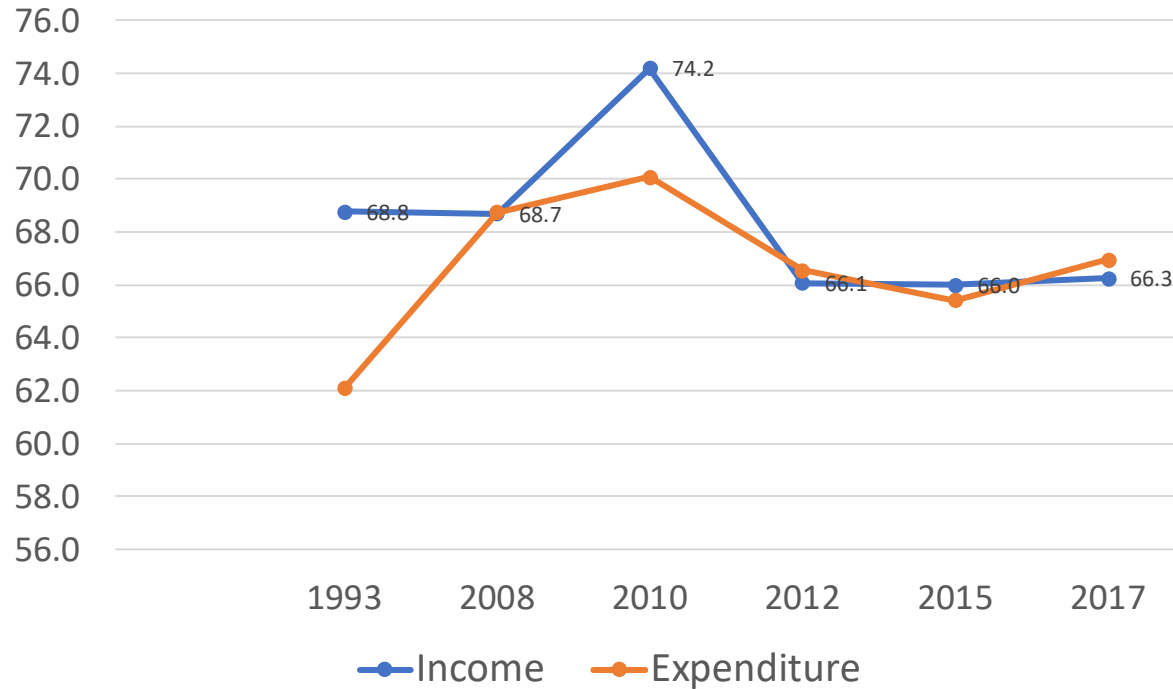


Data sources: Lachman and Bercuson 1992, 1993 PSLSD ,1996 census, 2000 IES, 2001 Census, 2005 IES, 2008-2017(NIDS)

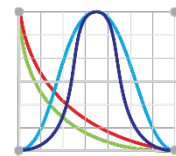
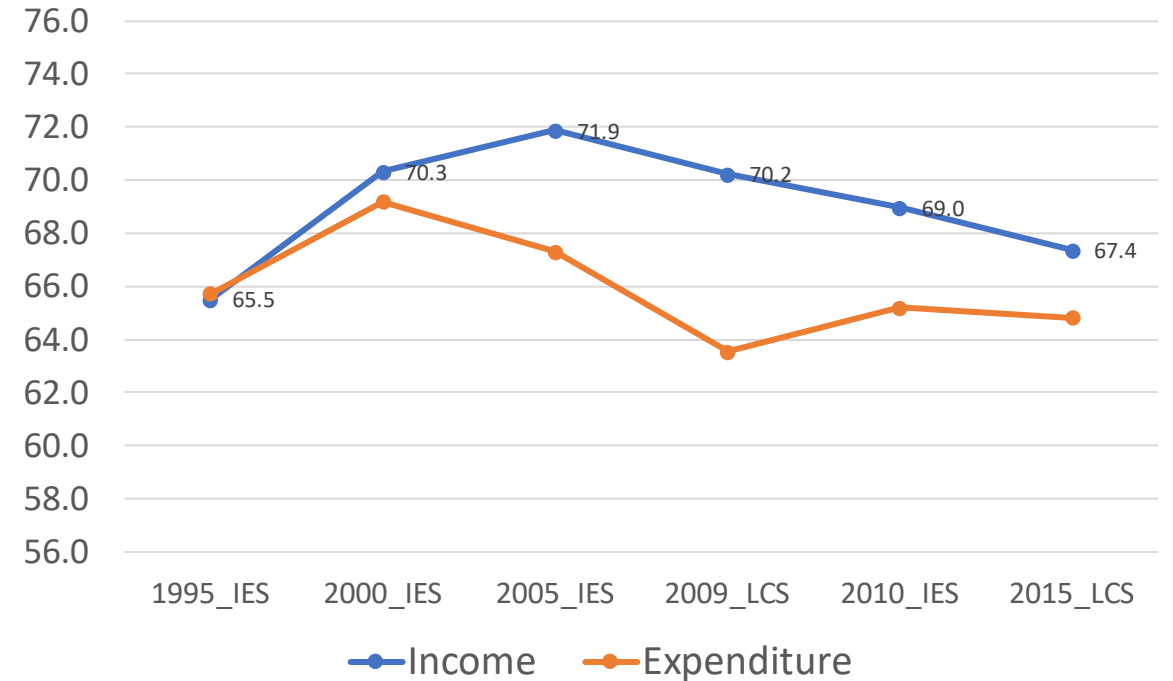


# Inequality trends: ACEIR's narrative

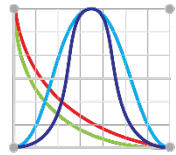
Gini estimates, NIDS (2008-2017) & PLSDS (1993)



Gini estimates, IES (1995-2010) & LCS (2009 & 2015)



# Inequality trends: ACEIR's narrative



# Conclusion

- Databases such as the WIID, have proved extremely valuable
- Income inequality in South Africa has remained quite high throughout the years, with large year-to-year variations
- Inequality estimates across time are influenced in part by methodological modifications implemented across different surveys over time.
- It is not yet clear what causes the year-to-year variations. More research is needed to investigate these.
- We cannot yet draw any conclusions about how well the narrative from our analysis would match the narrative from the entire WIID combination series and other works in South Africa.





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