REPUBLIC OF SOUTH AFRICA

WITS SCHOOL OF PUBLIC HEALTH, HEALTH INEQUALITIES CONFERENCE,

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ADDRESSING INCOME INEQUALITIES TO IMPROVE HEALTH

planning, monitoring and evaluation
Department:
Planning, Monitoring and Evaluation
REPUBLIC OF SOUTH AFRICA

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BACKGROUND

- Empirical studies point to patterns of association between income inequality and population health. Lower levels of income inequality are associated with improved population health.

- Indices used to measure this relationship include: average life expectancy; infant mortality; total mortality and self-reported health

- However, in recent literature (on developed and developing countries), contestations exist about the exact nature of causal links between income inequality and health outcomes. Methodological flaws are identified in many studies

- In South Africa, the first Carnegie inquiry into poverty was published in 1932 – which focused solely on poverty amongst Whites (poor White problem). This Carnegie report gave rise to policy changes which over time, effectively eradicated poverty amongst Whites

- Second Carnegie Report on poverty in South Africa, *Uprooting poverty in South Africa: Report for the 2nd Carnegie Inquiry into Poverty and Development in South Africa*, was released in 1984.

- Second Carnegie Report highlighted the appalling conditions in the rural areas and townships of South Africa, worse than those experienced by the Afrikaner in 1932. Severe malnutrition was common, especially in rural areas.

BACKGROUND

- At the dawn of democracy, Reconstruction and Development Plan (1994) committed the country to establishing viable communities in areas close to economic opportunities and to health, educational, social amenities and transport infrastructure.

- Constitution of RSA (No 108 of 1996) : Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken.

- In 2012, the National Development Plan 2030 adopted 3 goals: Eradicate absolute poverty; reduce unemployment rate and significantly reduce inequality.

- NDP 2030 also envisions a “health system that works for everyone, produces positive health outcomes, and is not out of reach”.

- By 2030, South Africa should have:
  - raised the life expectancy of South Africans to at least 70 years;
  - produced a generation of under-20s that is largely free of HIV;
  - reduced the burden of disease;
  - achieved universal coverage; and
  - significantly reduced the social determinants of disease and adverse environmental factors.

KEY MESSAGES

1. Overall, the health status of South Africans is improving, especially in the period 2009-2015
2. However, health gains are not evenly distributed across the country
3. South Africa remains one of the most unequal societies globally
4. Income inequality is influenced by geography; gender and race, etc
5. Government has adopted the National Development Plan 2030 as a roadmap for eradicating poverty, unemployment and inequality
6. Discernible progress is being made
7. However, current reality is that the pace of progress toward Vision 2030 requires acceleration
8. To address negative impact of income inequalities on health, investments are required not only in health but also in sectors that address social determinants
9. Social partnerships are needed to address income inequality and contribute to continuous improvement of health outcomes.

OUTCOME 2: A LONG AND HEALTHY LIFE FOR ALL – IMPACT INDICATORS

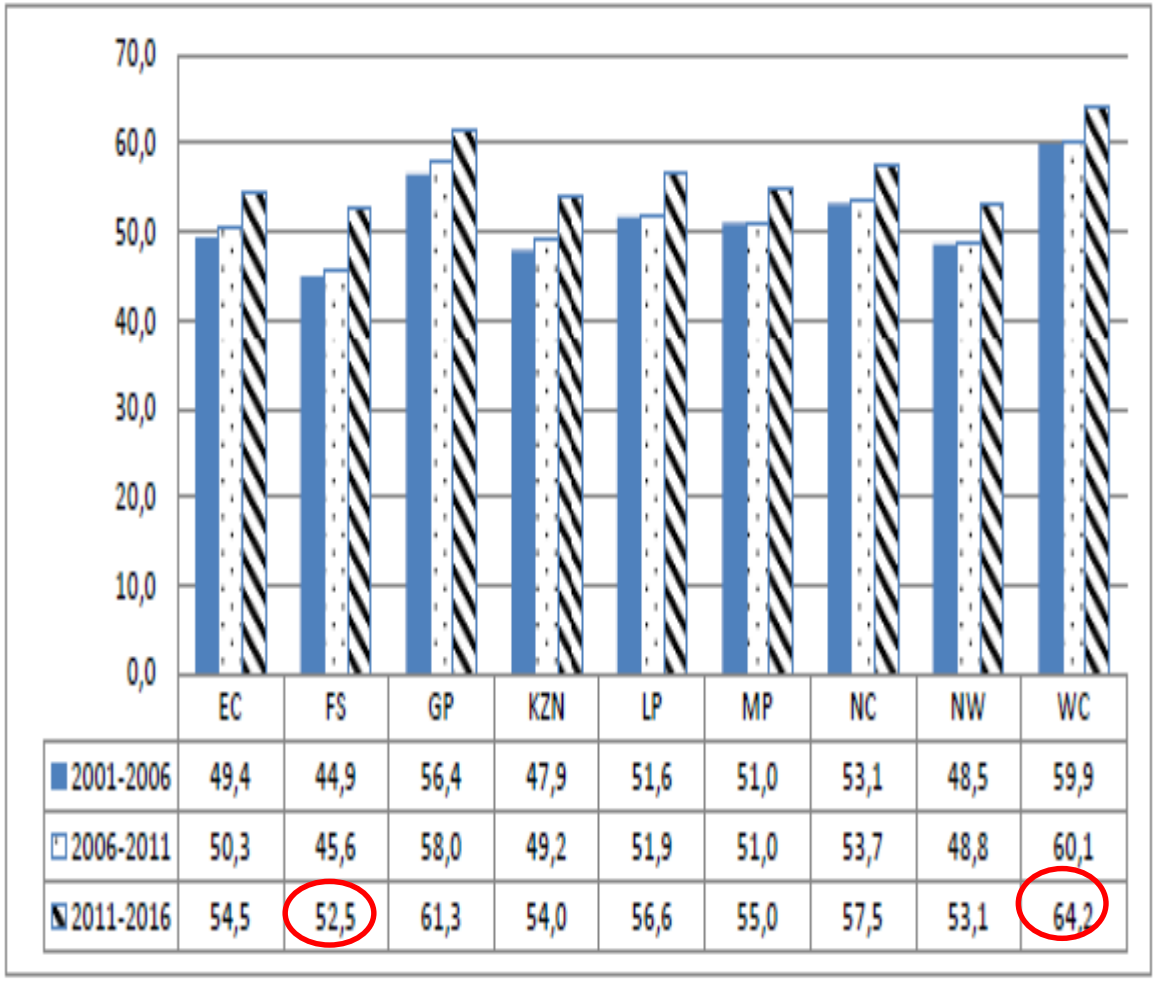
- On the whole, key indicators reflect improvement in the health status of South Africans.

Indicator	Baseline 2012	2019 MTSF Target	Progress as at September 2016	Progress rating	Data Source
Life expectancy at birth: Total	61.2 years	65 years by March 2019	63.3 (2015)		Rapid Mortality Surveillance Report 2016
Life expectancy at birth: Male	58.5 years	61.5 years by March 2019	60.3 (2015)		Rapid Mortality Surveillance Report 2016
Life expectancy at birth: Female	64.0 years	67 years by March 2019	66.4 years (2015)		Rapid Mortality Surveillance Report 2016
Under-5 Mortality Rate (U5MR)	41 per 1,000 live-births	33 per 1,000 live-births by March 2019 (20% decrease in 5 years)	37 deaths per 1000 live births (2015))		Rapid Mortality Surveillance Report 2016
Infant Mortality Rate (IMR)	27 per 1,000 live-births (25% decrease)	18 per 1000 live births (by 2019)	27 deaths per 1000 live births (2015)		Rapid Mortality Surveillance Report 2016
Maternal Mortality Ratio	200 per 100,000 live-births	Downward trend <100 per 100,000 live-births by March 2019	154 deaths per 100 000 live births (2015) 134 deaths per 100 000 live births		Rapid Mortality Surveillance Report 2016 Confidential Enquiry into Maternal Deaths (CCEMD)

INEQUITABLE DISTRIBUTION OF HEALTH GAINS

- However, gains in health status are not evenly distributed across the country.

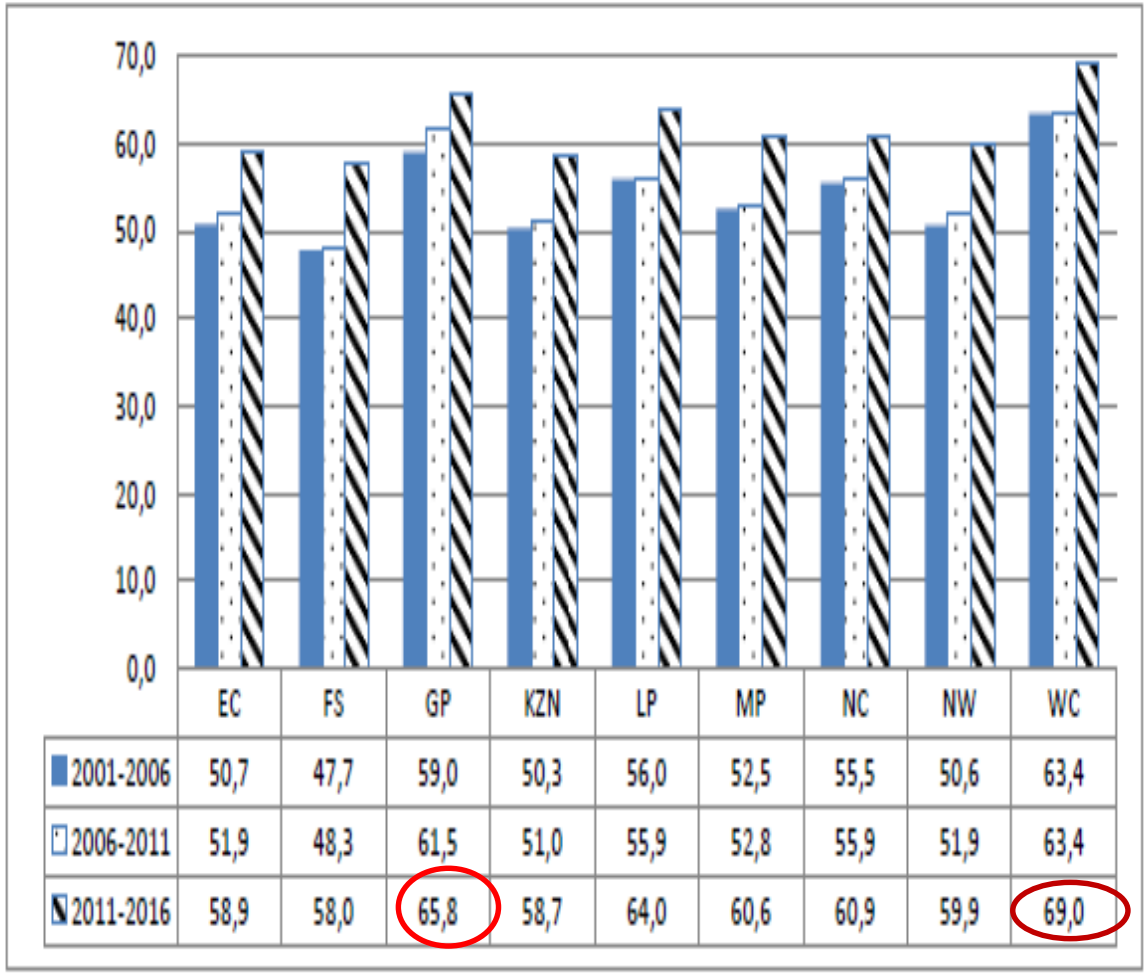
Provincial average life expectancy at birth (males), 2016



	EC	FS	GP	KZN	LP	MP	NC	NW	WC
2001-2006	49,4	44,9	56,4	47,9	51,6	51,0	53,1	48,5	59,9
2006-2011	50,3	45,6	58,0	49,2	51,9	51,0	53,7	48,8	60,1
2011-2016	54,5	52,5	61,3	54,0	56,6	55,0	57,5	53,1	64,2

For the period 2011-216, average life expectancy for males ranged from 52,5 years in the EC to 64,2 in the WC

Provincial average life expectancy at birth (females), 2016



	EC	FS	GP	KZN	LP	MP	NC	NW	WC
2001-2006	50,7	47,7	59,0	50,3	56,0	52,5	55,5	50,6	63,4
2006-2011	51,9	48,3	61,5	51,0	55,9	52,8	55,9	51,9	63,4
2011-2016	58,9	58,0	65,8	58,7	64,0	60,6	60,9	59,9	69,0

For the period 2011-216, average life expectancy for females ranged from 65,8 years in the EC to 69,0 in the WC

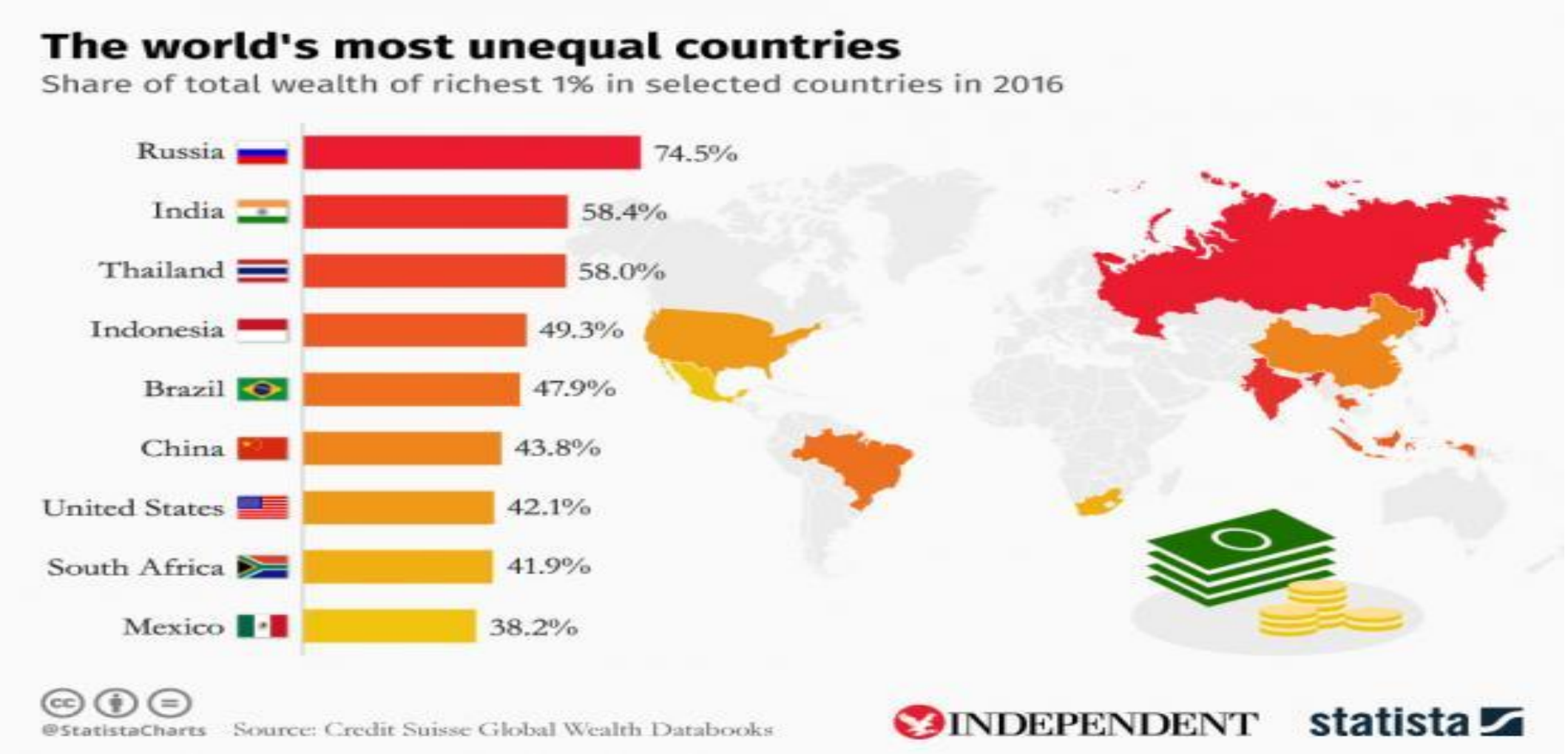
INEQUITABLE DISTRIBUTION OF HEALTH GAINS

- Overall, Institutional MMR is decreasing, but not at the same pace across Provinces
- Geographic (Provincial and District) variations exist in the performance of the health system
- Five Provinces (EC; FS; LP; MP; NW) carry twice the burden of institutional MMR than the Western Cape
- District variations also exist within these Provinces

Indicator Name	Province	2014	2015	2016
Maternal mortality in facility ratio	Eastern Cape	161.8	129.6	134.3
	Free State	200.0	151.4	149.1
	Gauteng	114.9	107.8	107.2
	KwaZulu-Natal	131.6	120.4	113.3
	Limpopo	165.1	148.6	122.0
	Mpumalanga	104.6	120.3	133.3
	North West	181.9	145.2	134.3
	Northern Cape	137.5	128.4	80.5
	Western Cape	58.8	60.2	65.7
	South Africa	132.9	119.4	114.3

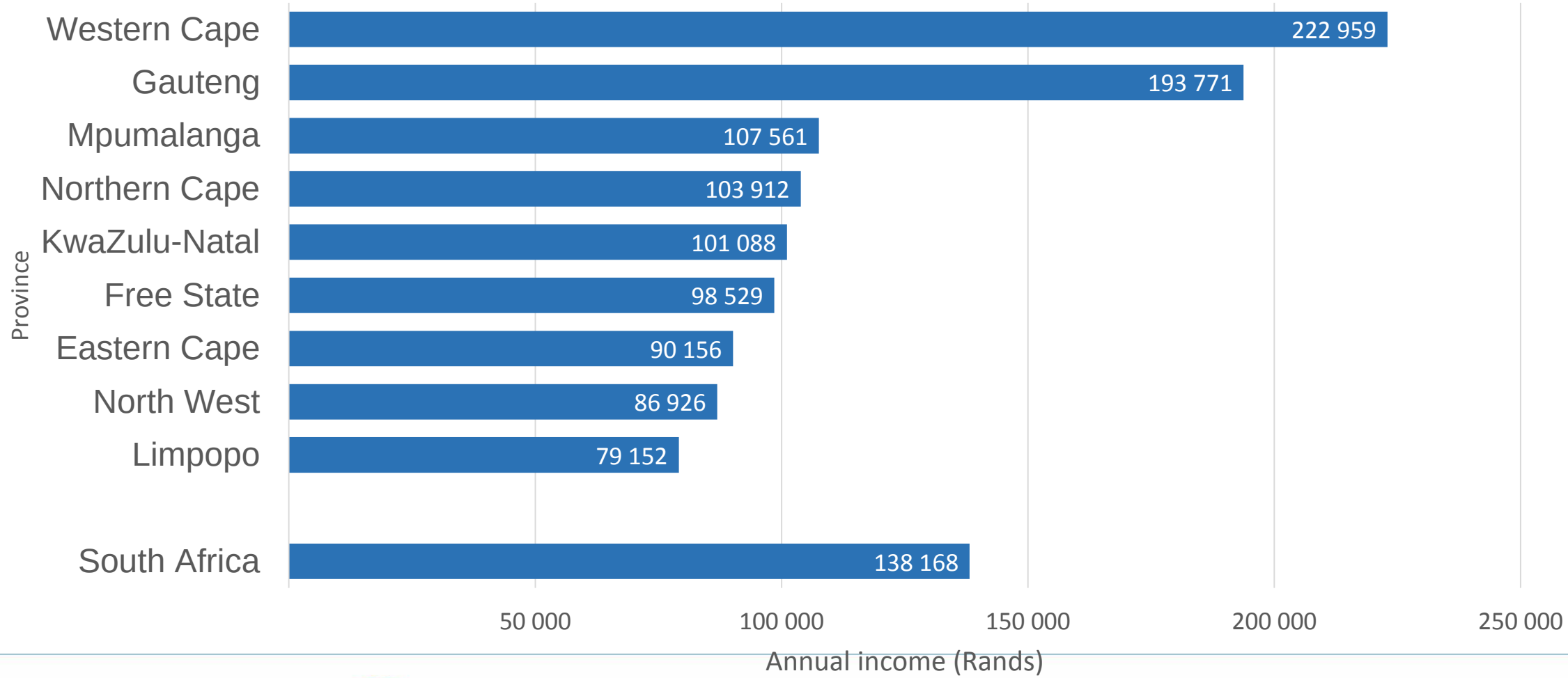
Source DHIS: Nov 2016

AND… RSA REMAINS ONE OF THE MOST UNEQUAL SOCIETIES GLOBALLY



AVERAGE ANNUAL HOUSEHOLD INCOME BY PROVINCE IN 2015

- Average household income in 7 Provinces is significantly lower than in GP and WC



AVERAGE ANNUAL HOUSEHOLD INCOME BY SEX OF HOUSEHOLD HEAD IN 2015

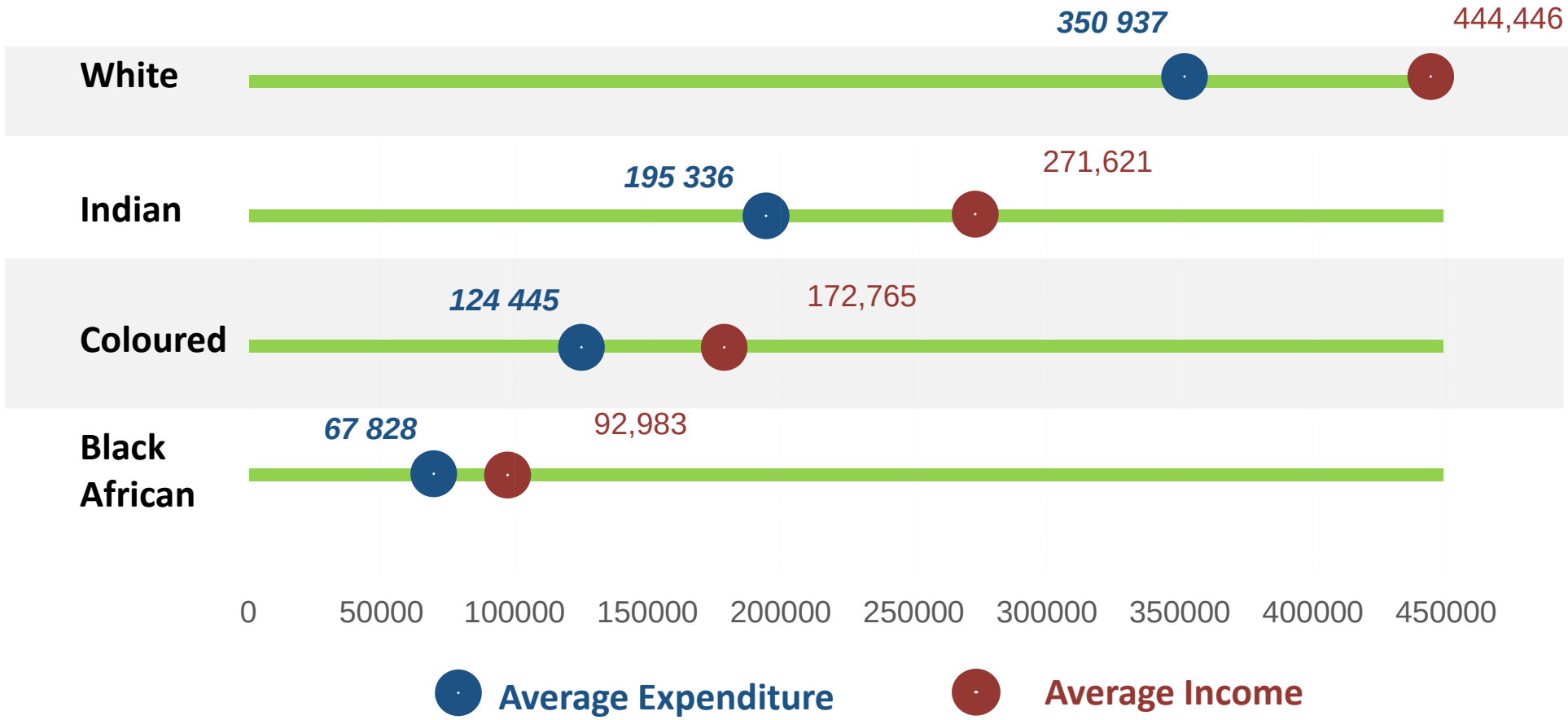
Males

Females

Male-headed households earned significantly more than female-headed households in 2015

AVERAGE ANNUAL HOUSEHOLD CONSUMPTION EXPENDITURE AND INCOME BY POPULATION GROUP OF HOUSEHOLD HEAD IN 2015

- White-headed households (R350 937) spent five times more than black African-headed households (R67 828) and three times more than the national average



WHAT NEEDS TO BE DONE?

1. EQUALISE OPPORTUNITIES OF ACCESS TO EDUCATION, WHICH IS ITSELF AN EQUALISER

To enhance skills for the economy and address Income Inequalities

2. ADDRESS INEQUITABLE EXPENDITURE ON HEALTH:

Beyond social determinants of health - inclusive of income inequality, health expenditure is cited as a key contributory factor for health outcomes

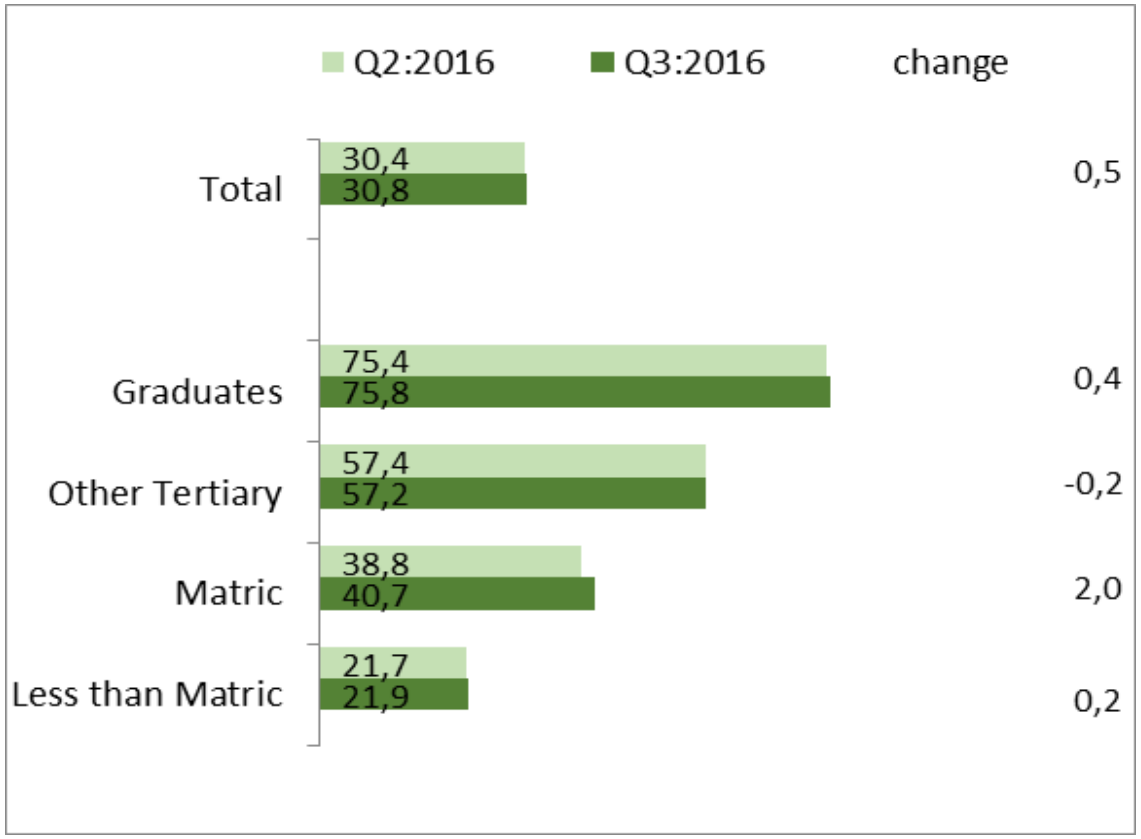
3. RADICAL ECONOMIC TRANSFORMATION

Radical Economic Transformation is required to create economic justice and provide all South Africans with just economic opportunities

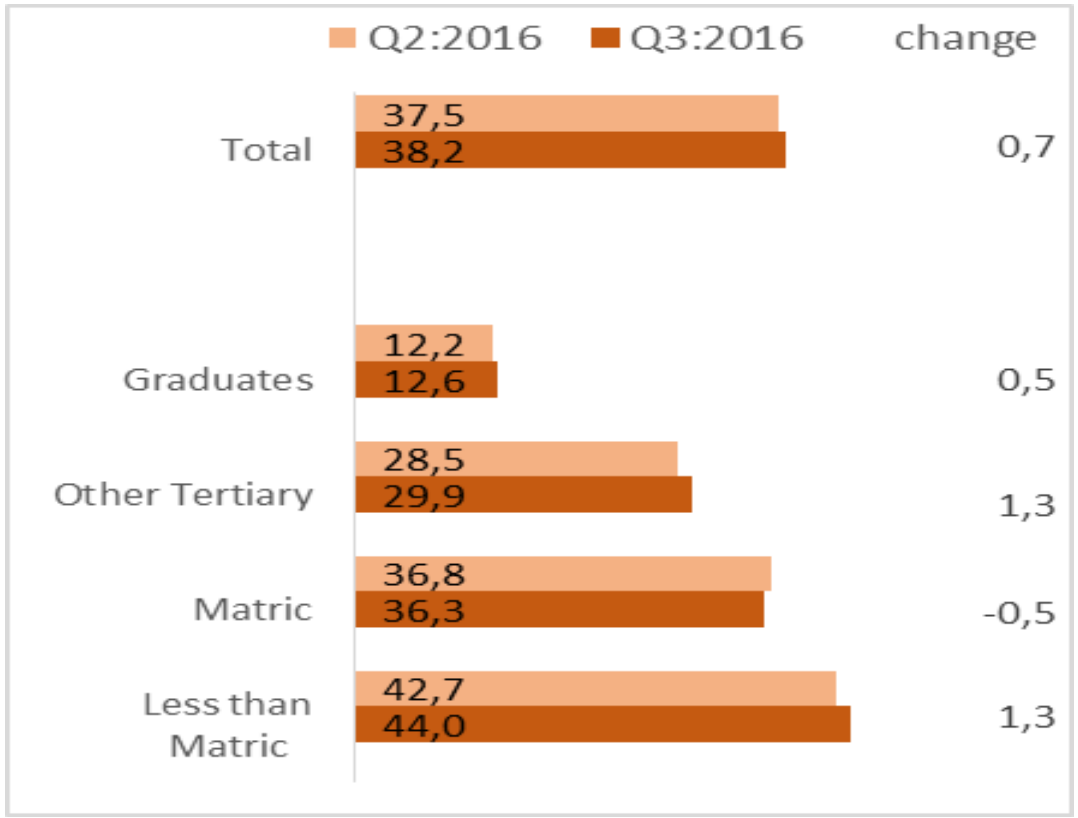
YOUTH (15-34 YEARS) LABOUR MARKET RATES BY EDUCATION LEVEL

- Chances of employment in South Africa are higher if you are better educated
- They are even better if you have a university degree compared to TVET. It is important to improve the quality of education at TVET colleges
- Chances of unemployment are lower with more education

Labour absorption rate



Unemployment rate



PROVINCIAL BUDGETS - REAL 2015/16 ZAR

Prov	2015/16	2016/17	2017/18	2018/19
EC	18,944	19,027	19,042	19,116
FS	8,694	8,504	8,589	8,732
GP	34,865	35,158	35,386	35,584
KZN	34,111	34,378	35,060	35,319
LP	15,432	15,386	15,090	15,143
MP	10,080	10,002	10,481	10,599
NC	4,168	3,945	3,831	3,852
NW	9,043	8,891	9,133	9,249
WC	18,737	18,781	18,713	18,839
Tot	**154,074**	**154,073**	**155,325**	**156,432**

Year on year growth

Prov	2015/16	2016/17	2017/18	2018/19	2016/17 b-b
EC	2.6%	0.4%	0.1%	0.4%	0.0%
FS	-0.3%	-2.2%	1.0%	1.7%	-2.6%
GP	6.9%	0.8%	0.6%	0.6%	-0.5%
KZN	3.8%	0.8%	2.0%	0.7%	1.2%
LP	1.0%	-0.3%	-1.9%	0.3%	-0.1%
MP	8.2%	-0.8%	4.8%	1.1%	-1.6%
NC	6.7%	-5.4%	-2.9%	0.6%	-6.7%
NW	2.7%	-1.7%	2.7%	1.3%	-2.1%
WC	2.9%	0.2%	-0.4%	0.7%	-1.4%
Tot	**4.0%**	**0.0%**	**0.8%**	**0.7%**	**-0.6%**

In real terms, the Health Budget is increasing by 3% over the 2016/17 MTEF, real values reflect a decline of 2.6%

PROVINCIAL PER CAPITA EXPENDITURE (UNINSURED) - REAL 2015/16 VALUES

Province	2015/16	2016/17	2017/18	2018/19
Eastern Cape	3,079	3,063	3,031	3,009
Free State	3,713	3,619	3,632	3,672
Gauteng	3,465	3,436	3,393	3,350
KwaZulu-Natal	3,560	3,544	3,561	3,536
Limpopo	2,903	2,849	2,755	2,728
Mpumalanga	2,747	2,662	2,744	2,731
Northern Cape	4,038	3,830	3,692	3,690
North West	2,821	2,694	2,718	2,708
Western Cape	4,028	3,939	3,852	3,811
Tot (Av)	**3,348**	**3,296**	**3,272**	**3,247**

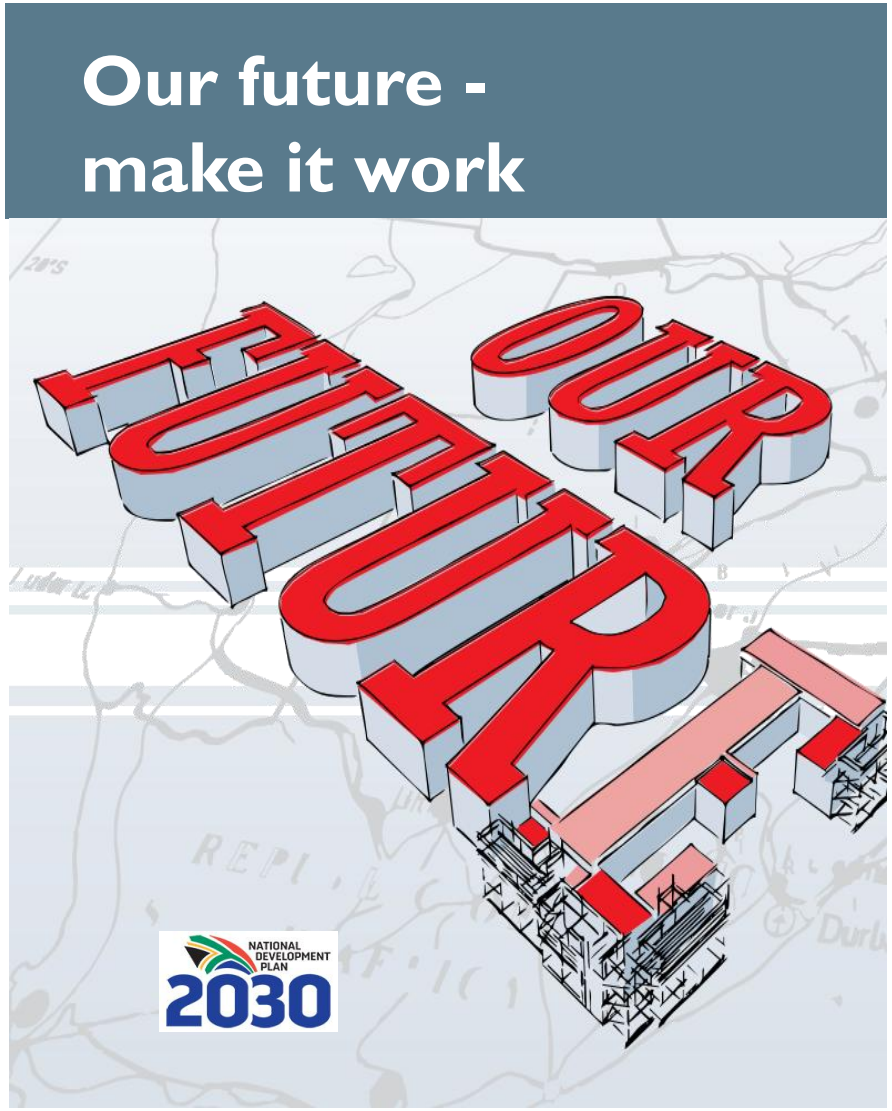
- In both real terms, per capita expenditure on health for uninsured population varies – with three predominantly rural provinces lagging behind LP; MP and NW

RADICAL ECONOMIC TRANSFORMATION

- Radical economic transformation is a reminder of our overall long term aim of transferring economic power to the black majority
- Advancing the NDP has required the State to exploit to the maximum the strategic levers that are available, such as:
  - Legislation and regulations (e.g. Mineral and Petroleum Resources Development Act)
  - Licensing (e.g. Mining, Water and Environment)
  - BBBEE and Transformation Charters
  - National budget and Procurement
  - State-owned Companies and Development Finance Institutions
  - Government programmes for redistribution such as Land Reform

- State must fully utilise these strategic levers to effectively transform the economy and society

NDP 2030 GOALS



- **Eradicate absolute poverty** – from 39% of people living below the poverty line of R419 (2009 prices) to zero
- **Reduce unemployment rate to 6%** – by creating 11 million more jobs by 2030
- **Significantly reduce inequality** from 0.69 to 0.60 gini coefficient through a range of policy interventions

SYNOPSIS OF PROGRESS

- **Quality Basic Education:** Almost universal access to basic education: **98.8% of 7 to 15 year olds** are attending education institutions (GHS 2015)

- **Higher Education and Training:** Number of qualifying TVET students obtaining financial assistance annually has increased from **188 182 in 2012** to **235 988 in 2015**

- Number of students enrolled in public higher education studies at universities has increased from **950 000** in 2012 to **985 212** in 2015

- **Health:** Total Life expectancy at birth has increased from **61,2 years** in 2012 to **63.3 years** in 2015.
- Child health has improved, with Under-5 mortality decreasing from **41 deaths** per 1000 live births in 2012 to **37 deaths** per 1000 live births in 2015.
- Maternal Mortality Ratio has improved from **200 deaths** per 100,000 live-births in 2011 to **154 deaths** per 100 000 live births in 2014 (pop) and 138 per 100 000 (institutional)

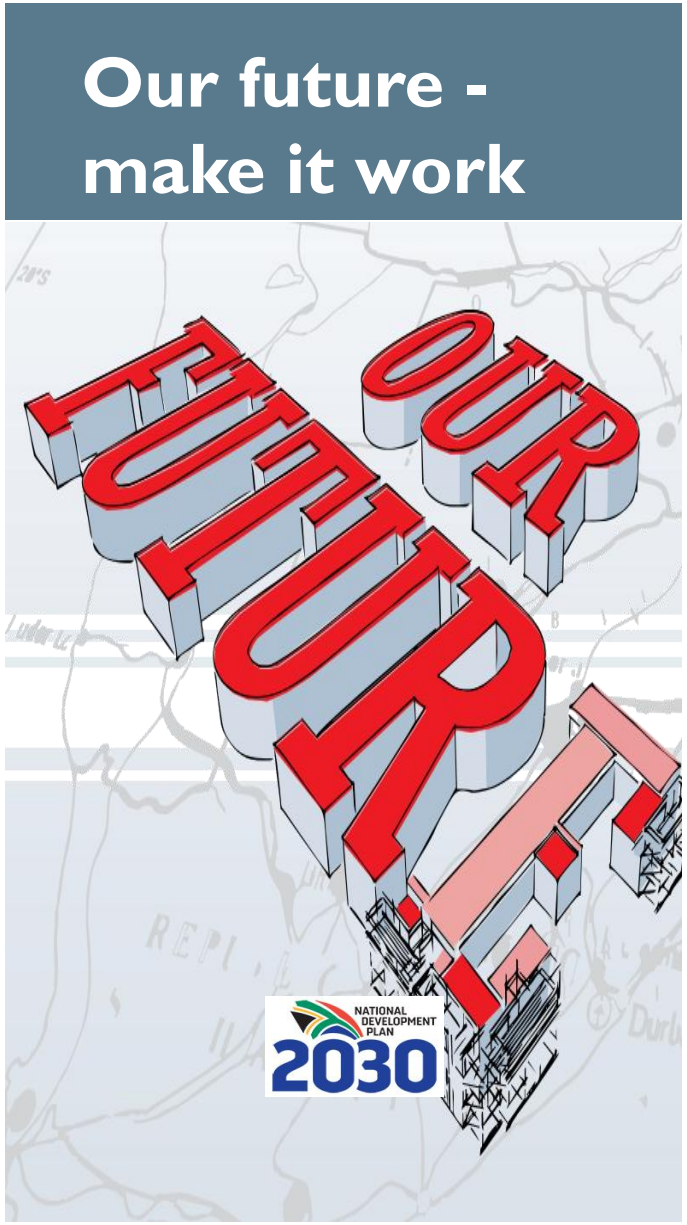
SYNOPSIS OF PROGRESS

- **Basic Service Delivery has improved. Since 2014:**
  - **628 061 additional HHs** have been connected to electricity grid
  - **40 569 additional** HHs are connected to non-grid
  - **401 794 additional HHs** had access to refuse removal
  - **283,200** additional HHs have received access to water
  - **425 000 additional HHs** have been given access to sanitation

- **Human Settlements:** From 2014 to 2016, access to Housing has improved:
  - Housing delivered by the state has increased by **273 000 additional units**
  - **200 000 households** in informal settlements have been upgraded

- **Social Protection**
- **16 853 828** million beneficiaries have access to social grants, which is 91% of eligible beneficiaries.

KEY CHALLENGES PERSIST



Eradicate absolute poverty – from 39% of people living below the poverty line of R419 (2009 prices) to zero

- Income poverty levels dropped in South Africa between 2006 and 2011, reaching a low of **20.2%** of population for extreme poverty and of **45.5%** for moderate poverty, according to Poverty Trends in South Africa (StatsSA, 2014). Greater effort in enabling inclusive growth (job creation) is needed to eradicate income poverty by 2030.

Reduce unemployment rate to 6% – by creating 11 million more jobs by 2030.

- Slow economic growth – with growth forecast for the remainder of 2016 likely to be less than 1%.
- High unemployment rate (27.1% in Q3 of 2016 - narrow and strict definition).
- High unemployment amongst the youth

Significantly reduce inequality from 0.69 to 0.60 gini coefficient through a range of policy interventions

- Levels of inequality in South Africa remain persistently high (gini coefficient of 0.67 with the social wage)

CONCLUSION

- Acting alone, government will not succeed in addressing income inequality and its impact on health outcomes.
- The approach of the NDP 2030 is to ensure change through a virtuous cycle of development, and places great emphasis on partnerships;
- A Social Compact should be entered into between government and all sectors of society; business; labour; civil society; academic institutions; research organisations; student and youth movements; emerging farmers; commercial farmers; and professionals
- While general acceptance exists of the relationship between income inequality and health outcomes, a need exists for more empirical studies in this field.
- Existing body of knowledge is characterised by terms such as: theoretical ambiguity; conceptual dissonance, lack of coherence, amongst others.

Ke a leboha Ke ya leboga

Ke a leboga

Ngiyabonga Ndiyabulela Ngiyathokoza

Ngiyabonga Inkomu

Ndi khou livhuha

Thank you Dankie