

WORLD **INEQUALITY** REPORT **2022**



Coordinated by
Lucas Chancel (Lead author)
Thomas Piketty
Emmanuel Saez
Gabriel Zucman

Foreword by
Esther Duflo and Abhijit Banerjee

WORLD
INEQUALITY
..... LAB

SOUTH AFRICA

(POP. 59,012,000 (2021))



■ One of the world's most unequal countries

In South Africa, the average national income of the adult population is €PPP12,400 (or ZAR117,260).²⁶ While the bottom 50% earns €PPP1,300 (ZAR12,340), the top 10% earns more than 60 times more (€PPP82,500 or ZAR780,300). Today, the top 10% in South Africa earn more than 65% of total national income and the bottom 50% just 5.3% of the total.

■ South African income inequality

Available estimates suggest that income inequality in South Africa has been extreme throughout the 20th and 21st centuries. The top 10% income share oscillated between 50 and 65% in this period, whereas the bottom 50% of the population has never captured more than 5-10% of national income. While democratic rights were extended to the totality of the population after the end of apartheid in 1991, extreme economic inequalities have persisted and been exacerbated. Post-apartheid governments have not implemented structural economic reforms (including land, tax and social security reforms) sufficient to challenge the dual economy system.

26: €1 PPP = \$PPP 1.4 = ZAR 9.5

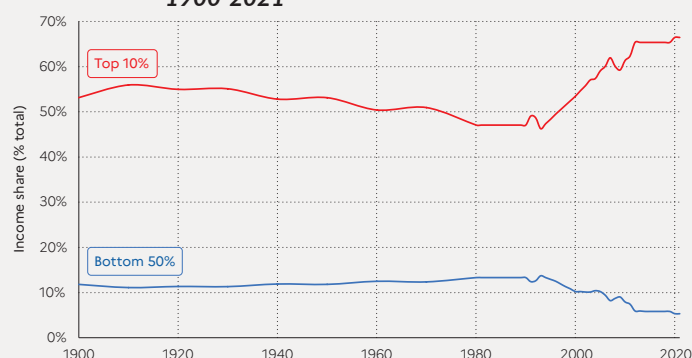
Table 1: Inequality outlook

	Income		Wealth	
	Avg. Income (PPP €)	Share of total (%)	Avg. Wealth (PPP €)	Share of total (%)
Full population	12 400	100%	32 300	100%
Bottom 50%	1 300	5.3%	-1 600	-2.4%
Middle 40%	8 700	28.2%	13 500	16.8%
Top 10%	82 500	66.5%	276 700	85.7%
Top 1%	272 000	21.9%	1 777 300	55.0%
Top 10% to Bot. 50% Income gap			1 to 63	
Female labor share			36%	
GHG footprint			7.2 tCO ₂ / pers.	
Transparency index			8.5 / 20	

Interpretation: See glossary for definitions of concepts and indicators.

Sources and series: wir2022.wid.world/methodology

Figure 1: Top 10% and bottom 50% income shares in South Africa, 1900-2021



Interpretation: The Top 10% income share is equal to 67% in 2021. Income is measured after the operation of pensions and unemployment insurance systems and before income tax.

Sources and series: see wir2022.wid.world/methodology, and Chancel and Piketty (2021).

■ **Wealth inequality**

While the richest South Africans have wealth levels broadly comparable with those of affluent Western Europeans, the bottom 50% in South Africa own no wealth at all. The top 10% own close to 86% of total wealth and the share of the bottom 50% is negative, meaning that the group has more debts than assets. Since 1990, the average household wealth for the bottom 50% has remained under zero.

■ **Gender inequality**

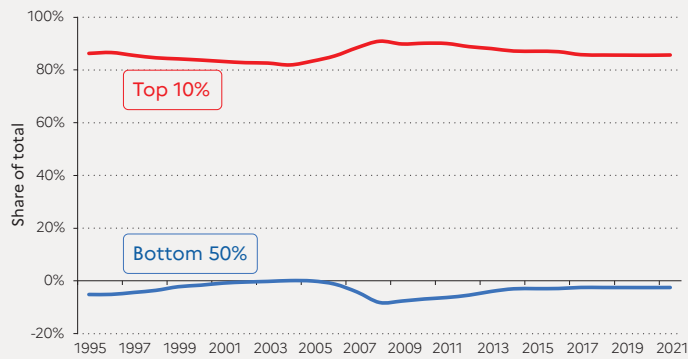
South Africa stands out as an exception in the sub-Saharan African region. The country’s female labor income share is equal to 36%, which is significantly higher than the regional average (28%). Gender inequalities in South Africa are comparable with levels observed in Western Europe (where the average earnings of women are equal to 38% of total national income on average).

■ **Carbon inequality**

South Africa is one of the highest emitters in Africa. On average, GHG emissions per capita are equal to 7.2 tCO2e/capita. This is slightly fewer than in China (8.0) and France (8.7) but considerably more than in other African countries, including Kenya (1.4), and is well over the sub-Saharan African average. On average, the top 10% emit 10 times more emissions than the bottom 50%. Since the early 1990s, these high levels of carbon inequality have remained constant.

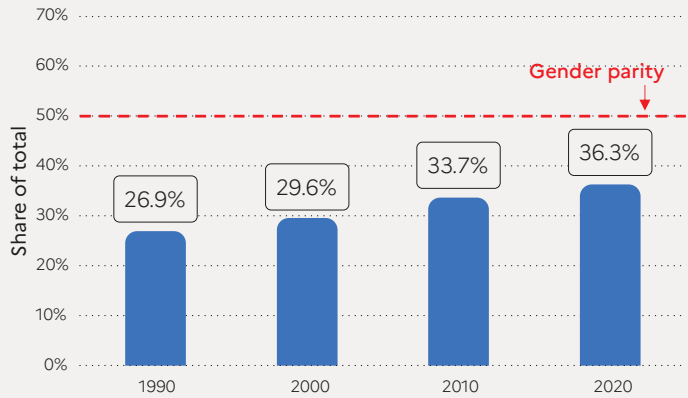


Figure 2: Wealth distribution in South Africa



Interpretation: In 2021, the wealthiest 10% of the population own 87% of total household wealth. Household wealth is the sum of all financial assets (e.g. stock, bonds) and non-financial assets (e.g. housing), net of debts.
Sources and series: wir2022.wid.world/methodology.

Figure 3: Female labor income share in South Africa, 1990-2020



Interpretation: The share of total labor income accruing to women in 2020 is close to 36%.
Source and series: wir2022.wid.world/methodology.

Table 2: Carbon table

	Avg. GHG footprint (tCO2e/capita)
Full population	7.2
Top 1%	116.4
Top 10%	31.3
Middle 40%	6.5
Bottom 50%	3.0

Interpretation: The table presents average CO2 emissions of different groups of the population in 2019. Emissions take into account carbon embedded in consumption and investment portfolios.
Sources and series: wir2022.wid.world/methodology.

"Read this report, shout out its messages, find ways to act upon it."

Abhijit Banerjee and Esther Duflo

"The World Inequality Report gathers the most up-to-date data on global income and wealth inequality and presents new findings on gender and environmental injustices. Our investigation reveals that inequality is not inevitable – it is a political choice."

Lucas Chancel

"If one lesson emerges from the richness of the data presented in this report, it is that human societies can choose how much inequality they generate through social and public policy. The report is a world map and a roadmap as to how."

Emmanuel Saez

"Women hold half the sky but only capture a third of earnings worldwide – as we show in this report. A lot more can and should be done to accelerate progress towards gender parity".

Theresa Neef and Anne-Sophie Robilliard

"The World Inequality Report addresses a critical democratic need: rigorously documenting what is happening to inequality in all its dimensions. It is an invaluable resource for students, journalists, policymakers, and civil society all over the world."

Gabriel Zucman

"History teaches us that elites fight to maintain extreme inequality, but in the end, there is a long-run movement toward more equality, at least since the end of the 18th century, and it will continue."

Thomas Piketty

WIR2022.WID.WORLD