

From intense emotions to hard numbers

10 September 2018

During revelations from the state capture and SARS enquiries, news of recession, the drama of expropriation without compensation, and rumours of plots to get rid of President Ramaphosa, it is good to turn our gaze away from the dust and commotion of South African politics. Let's focus on some hard numbers – the official mid-year population estimates published by StatsSA. It is arguably one of the most important sets of numbers in our national calendar.

Population growth

On 1 July this year, the South African population was estimated at 57.7 million people. Population growth is estimated at 1.55% per annum (p.a). Four factors drive this number: lower fertility, higher immigration, lower mortalities and longer life expectancies.

Fertility rate

The main driver of population growth is fertility, or the number of children born per woman. It has dropped consistently from 6.4 in the 1950s to 5.8 in the 1970s to 2.4 in 2018. Common observation confirms this – very few women today would have five or six children. Two or three is much more the norm. It is a significant decline.

The replacement fertility level at which a population will remain constant is about 2.33 children per woman (it varies between developed and developing countries). At 2.40, South Africa is not far away from the replacement fertility level. One would therefore expect our population growth rate to be very low. However, other factors drive it up – higher immigration and lower mortality.

Immigration

Most of the population growth is of course due to South Africans having babies, but a full 17% – one in every six new people in South Africa – comes from immigration into the country. StatsSA estimates the net migration into the country at 203 000 people p.a. That is 23 per hour, or one immigrant every 2.6 minutes.

South Africa is clearly becoming an ever more diverse and cosmopolitan society, causing xenophobic strains and tensions, as demonstrated by the sporadic outbursts of violence against foreigners. South Africa is not escaping the polarising effect of immigration that we see in Europe, the UK and the US (although the political manifestation here is different).

Mortality

Infant mortality improved from 43.7 deaths per 1 000 live births 10 years ago, to 36.4 now. In 2002, 16 years ago, it was even higher at 53.2. The under-five mortality rate shows an even bigger decline, from 80.1 per 1 000 live births in 2002 to 45 in 2018. These are significant and sustained improvements.

As world renowned public health expert Hans Rosling says: "This measure takes the temperature of a whole society. ... when only 14 children die out of 1 000 in Malaysia ... (it) tells us that most families ... have enough food, their sewage systems don't leak into their drinking water, they have good access to primary health care, and mothers can read and write. It doesn't just tell us about the health of children. It measures the quality of the whole society." Thus the improvements seen in SA's child mortality tells a story of progress in our society.

Also, the total number of deaths and AIDS-related deaths have both declined since a high point in 2006.

Life expectancy

The upshot of all this is that the most critical indicator of health and social welfare, life expectancy, has now increased to 61.1 years for males and 67.3 years for females. Ten years ago, it was 53.8 for males and 58.1 for females. This is an astonishing turnaround.

Demography and economics

To just maintain income levels, the economy should at least grow at the same pace as the population, which would

equate to growth of 1.55% this year. Given South Africa's current poverty, unemployment and inequality, income levels for many citizens are already way too low. To reduce poverty and inequality, the economy should be growing at a significantly faster rate than the population. However, as pointed out before, South Africa has now been in a 'demographic recession' since 2015 – economic growth has lagged population growth. This year will be the fourth year of this 'demographic recession'. Per-capita incomes are now about 1% lower than in 2014. With this month's news of an economic recession, it will probably decline by another 1% in 2018. Stagnant or declining incomes (except for the fortunate 10% or so) has dire consequences. Over the 70 years for which we have data, South Africa has managed to increase per-capita incomes by an average of 1.2% a year. Maintaining this requires economic growth of close to 3% p.a.

Demography and employment

Traditionally, the age group of 15 to 64 is regarded as the working-age population of a country. It is a bit of a stretch as many youngsters of 15 are not yet looking for a job, while many people stop working at around age 60, or soon thereafter. Nevertheless, 15 to 64 is generally used.

There are 37.5 million people in this age group in South Africa. We know from the quarterly labour force survey that 16.3 million of them are working; 8.9 million are unemployed or discouraged work seekers; and 12.6 million are not economically active. This means that the employed population as a proportion of the total working-age population is 43%. The unemployed and discouraged, combined, form 24%. Those who aren't economically active make up the remaining 34%.

It is misleading to count the 12.6 million people who are not economically active as 'unemployed'. This group will include students, homemakers, full-time mothers, and so on. Nevertheless, there is general agreement that 43% employed is too low for a country like South Africa. This number will have to increase significantly to reduce poverty, unemployment and inequality.

At 1.55% growth, we are adding about 900 000 people to the population every year. Merely maintaining that 43% employment rate would require close to 400 000 jobs per year (43% of 900 000). Over the last 12 months, we created about 200 000 jobs and over the last ten years, 2.6 million. Sure, that helps to broaden the economic base and to create more consumers and taxpayers, but it is not enough to reduce poverty, unemployment and inequality.

Looking back a century

It is useful to take the long view and look back over time. At the time of South Africa's first census in 1911, the total population was just short of six million people, at 5 972 000. Today, 107 years later, there are 57.7 million - almost ten times more. Over that time, black people increased about 11,5 times, so-called coloureds and asians/indians 9,5 times and whites 3,5 times. In 1911, black people formed 67% of the total population, whites 21%, so-called coloureds 9%, and asians/indian 3%.

Today those proportions are roughly black africans 81%, whites 8%, coloureds 9% and asians 2,5%. (Since we are in the middle of the land debates, one cannot but wonder how the rulers of 1913 could have thought that 67% of the population could be restricted to 13% of the land...?!)

So What?

- The decline in the fertility rate demolishes the argument that social grants encourage more births. Fertility has declined despite the massive increase in social grants. Clearly something else is at work. Urbanisation, access to basic education, medical services, and the labour market, and changing perceptions about women, work and their place in society all play a role.
- Immigration now makes up 17% (or one in six people) of South Africa's population growth. Like other countries, we will have to get better at absorbing and integrating foreigners.
- Mortality rates have improved across the board, resulting in considerably longer life expectancies.
- South Africa is now in the fourth year of a 'demographic recession' – per-capita incomes are lower than they were in 2014, which explains a lot of the economic stress and pain the country is experiencing.
- About 43% of South Africans between the ages of 15 and 64 are working, 24% are unemployed or discouraged work seekers, and 34% are not economically active. Clearly the 43% group must get bigger.
- There are about ten times more people in South Africa today than when the Union of South Africa was formed in 1910. One can sympathise with the veteran town councillor of 35 years' service who said of his home town in Mpumalanga, 'We simply do not have the money to provide for all the (increased numbers of)

people’.

- These numbers simply underline the importance of getting the economy going again. Nothing is more important.