

The other set of numbers

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The numbers occupying centre stage at the moment are which candidates are nominated by how many branches in the ANC leadership contest. That can tell us what will happen in December at the ANC's elective conference. But, we will have to be patient and wait until the end of October for those numbers to emerge.

In the meantime, however, we can take a breather from politics and look at a different set of numbers: basic demographic data. That is arguably as important for our future as the nomination numbers. As the old saying goes, "demography is destiny".

Stats SA recently released the annual mid-year population estimates. What makes this year's estimate particularly interesting is that it includes a 15-year review – from 2002 to 2017 – of all available data on fertility rates. Fertility is the most important driver of population growth, so getting that number right is important. The other two drivers are migration and mortality.

Fertility

The number of children per woman in 2017 came to 2.41. Ten years ago in 2007 it was 2.73. Looking back further to the 1970s, it was 5.8. In the 1950s it was 6.4! (Very few women today would have 6 and more children!) So the decline in fertility since the 1950s and even 1970s has been truly significant.

In 2003 the global replacement level at which a population will remain constant was about 2.33 (it varies between developed and developing countries). So at 2.41 SA is not far away from the replacement level of fertility.

(So much then for the argument that social grants encourage more births – fertility has declined despite the introduction and massive expansion of social grants.)

Urbanisation, access to basic education and medical services, access to the labour market and changing perceptions about women, work and their place in society all play a role in determining fertility.

Mortality

The second driver of population growth is mortality.

The infant mortality rate has declined from 48.1 per 1 000 children under the age of one year in 2002 to 32.8 in 2017 – an improvement of more than 30%.

The under-5 mortality rate has declined from 71.3 per 1 000 in 2002 to 42.4 in 2017 – an improvement of 40%.

The crude death rate decreased from 13.4 per 1 000 in 2002 to 9 – an improvement of almost 33%.

Collectively these are significant decreases in mortality.

These improvements are an indication that despite the public health system creaking under the load of numbers, inefficiency and corruption, significant progress have been achieved.

Life expectancy

As a result of lower mortality, life expectancy has increased from an average of 55 years (53 for males and 57 for females) in 2002 to 64 years now (61 for males and 67 for females).

The corollary of the success of programs to prevent mother-to-child transmission and promote access to antiretroviral treatment, is that the proportion of the population living with Aids increased to 12.6% of the population from 10.9% in 2002. People live longer. The total number of people with HIV is now estimated to be just

over 7 million.

Migration

The third driver of demography is migration. Stats SA assumes a net migration into the country of more than two hundred thousand people per year – or about one person every 2.6 minutes. Back in the 1990s there was one immigrant only every 21 minutes. SA is an attractive destination for particularly Black African, but also Indian immigrants. Many skilled and unskilled people from Zimbabwe, Nigeria, East Africa and elsewhere have moved to SA. Emigration, in contrast, is largely by Whites.

Population growth

The upshot of all the above is that in 2017 population growth is estimated to be 1.61%.

This is sharply down on the 2.5% p.a. recorded over the 50 years between the Second World War and the first census of democratic SA in 1996. If we go further back, to the first census of the Union of SA in 1911, population growth over the 106 years since then averaged 2.14% p.a. So the current 1.61% is a substantially lower than we had in the past.

(If the differences seem small and you think I am just splitting hairs: R100 invested in 1911 at 2.14% would now be R946 – invested at 1.61% it would only be R544, a difference of 74%! Ditto population growth. Small differences compound.)

As far as population growth goes, SA has indeed made the transition from a developing to a developed country.

Demographic transition and dividend

The combination of lower fertility and declining mortality is known as the “demographic transition”. SA has now clearly experienced that.

Everything else being equal the “transition” should result in a “demographic dividend”. The age structure of the population changes and there are more working age people that can “carry” the non-working age people; or in the jargon, there are fewer dependants per income earner. Higher consumption and investment then become possible, leading to higher economic growth.

The working age people can of course only carry the non-working age people if they indeed have some income. That is the trick. There is a misconception amongst some that the mere presence of a large youth cohort in the population automatically constitutes a demographic dividend and higher growth. Common sense tells one that cannot be correct. It is only a dividend if that youth cohort can earn a living. Otherwise it is more a demographic time bomb.

Reaping the dividend

The 1.61% population growth creates a window of opportunity for SA. Growth only needs to be about 2.8% per year to increase incomes by 1.2% a year – the number at which SA has increased per capita income for 70 years. Yet since 2014 economic growth only averaged 1.1% p.a. and per capita income is now 1.1% **lower** than 3 years ago. So, no dividend.

It should be no surprise then that Stats SA’s poverty report reveals that the percentage of citizens living in poverty increased from 53.2% in 2011 to 55.5% in 2015; that is 3.1 million **more** people now living in poverty. (The 55.5% is still a meaningful improvement on 2006 when 66.6% of the population lived in poverty.) But the deterioration since 2011 confirms that there has been no dividend.

It is all about politics

Economic growth would have to be returned to 3% and more to capitalise on the demographic transition and generate a dividend. That in turn depends very much on politics and brings us full circle back to how the ANC branches will nominate and who will get elected in December!

So What?

- Demography is driven by fertility, mortality and migration.
- Fertility has declined to 2.43 children per female – not far above the 2.33 replacement level.
- Mortality has improved substantially and so has life expectancy, from 55 to 64 years.
- Population growth is now down to 1.61% p.a.
- Between lower fertility and mortality, SA has undergone a demographic transition.
- However, the much vaunted demographic dividend that should flow from a transition has so far escaped the country because growth is too low and unemployment too high. In fact, poverty has worsened.
- Getting the economy growing sufficiently again will require a substantial change and re-focusing in our politics.

Addendum

The mid-year population review also gives the population per province. It is interesting to compare that with the ANC provincial membership numbers on which the Policy Conference was constituted in July this year. The divergences are striking. (Cautionary: audits of provincial membership numbers in KZN, the Eastern Cape and Western Cape have not yet been completed.)

Province	Percentage of SA population	Percentage of ANC members
Gauteng	25.3%	10.76%
KwaZulu Natal (KZN)	19.6%	21.35%
Eastern Cape	11.5%	16.22%
Western Cape	11.5%	5.87%
Limpopo	10.2%	11.41%
Mpumalanga	7.9%	12.39%
North West	6.8%	10.23%
Free State	5.1%	7.58%
Northern Cape	2.1%	4.20%
Total	100%	100%

According to the mid-year review, Gauteng and the Western Cape will experience the biggest inward migration flows over five years, 1.0 million and 309 000 people respectively; followed by North West with inward migration of 110 000.

KZN is expected to have a net outward migration of more than 500 000, followed by the Eastern Cape with 324 000 and Limpopo with 139 000, also over five years.

Clearly the balance of power will change over the next five years.